Report

OF THE

Bombay Chamber of Commerce

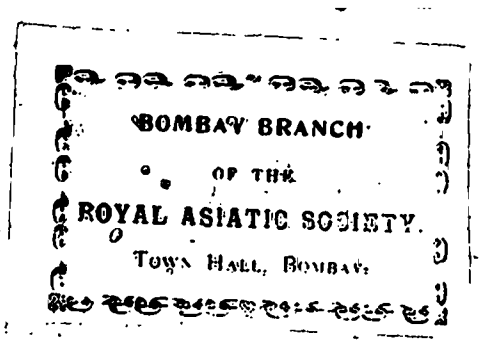
FOR THE YEAR 1932.

(Established 22nd September 1836)

(Incorporated 18th June 1924)

00133612

Bombay:
THE TIMES OF INDIA PRESS.
1933.



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Report

OF THE

Bombay Chamber of Commerce

FOR THE YEAR 1932.

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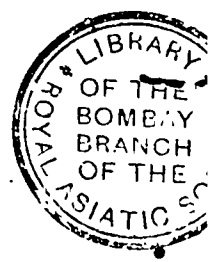

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Bombay Chamber of Commerce.

ESTABLISHED 22ND SEPTEMBER 1836.

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SIR ARTHUR FROOM, KT.

SIR LESLIE HUDSON, KT.

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THE LLOYD TRIESTINO N. CO.
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H. ROYAL, ESQ., *Asst. Secretary.*

* Mr. R. R. Haddow tendered his resignation as President as from 8th October 1932 and Sir Hugh Cocke was elected in his stead.

† Sir Ernest Jackson resigned his seat in May 1932 and Mr. M. W. Brayshay was nominated to serve in his stead.

CHAMBER'S REPRESENTATIVES.

Council of State.

THE HON'BLE MR. E. MILLER.

Legislative Council of H. E. the Governor of Bombay.

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Bombay Port Trust.

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(2) G. H. COOKE, ESQ.
(3) T. E. CUNNINGHAM, ESQ.
(4) W. G. LELY, ESQ.
(5) E. C. REID, ESQ.

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Bombay Municipal Corporation.

ALWYN EZRA, ESQ.

Sydenham College of Commerce Advisory Board.

N. S. GOLDER, ESQ. | A. G. GRAY, ESQ

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Persian Gulf Light's Committee.

J. C. REED, ESQ.

St. George's Hospital Advisory Committee.

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Governor's Hospital Fund.

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Indian Central Cotton Committee.

H. B MOORE, ESQ

Empire Cotton Growing Corporation.

R. P. SCOTT, ESQ.

Back Bay Reclamation Scheme.
Standing Advisory Committee.

SIR JOSEPH KAY, KT.

Bombay Development Department.
Special Advisory Committee.

A. M. REITH, ESQ.

Traffic Committee.

J. C. REED, ESQ.

Auxiliary Force Advisory Committee.

SIR JOSEPH KAY, KT.

Ex. Services Association.

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Indian Central Lighthouse Committee.

J. J. FLOCKHART, ESQ.

Indian Sailors' Home.

J. J. FLOCKHART, ESQ.

Bombay Seamen's Society.

R. J. F. SULIVAN, ESQ.

Federation of Chambers of Commerce of the British Empire.

SIR MALCOLM HOGG, KT.

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G. I. P. Railway.
B. B. & C. I. Railway. } L. A. HALSALL, ESQ.

Bombay Telephone Co., Ltd.

G. L. WINTERBOTHAM, ESQ., M.L.C.

Railway Rates Advisory Committee.

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Government of Bombay Road Board.

THE HON'BLE MR. E. MILLER.

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Chairmen.

J. Skinner	1836–37	John Fleming	1857–58
M. T. Brownrigg	1837–38	Robert Ryrie	1858–59
H. G. Gordon	1838–39	H. D. Cartwright, Henry Scott	1859–60
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T. R. Richmond	1840–41	Andrew Grant, George Hamilton, George Lord	1860–61
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S. D. Murray	1842–43		
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J. Smith	1845–46		
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A. G. Latham	1848–49		
Robert Strong	1849–50	A. J. Hunter	1865–66
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John Parsons	1851–52		
A. H. Campbell	1852–53		
H. B. Gilmour	1853–54	J. Foggo	1867–68
James Graham	1854–55	Hamilton Maxwell	1868–69
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James Thorburn 1882–83
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A. F. Beaufort 1896
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R. H. Macaulay 1898
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William Greaves, 1900, 1901, *1902
J. M. Dick .. *1902, 1903
C. H. Armstrong .. 1904, 1905
H. E. E. Procter 1906
C. H. Armstrong .. 1907
Sir Henry Procter, Kt. .. 1908
C. H. Armstrong .. 1909
R. G. Monteath 1910
Sir Chas. Armstrong, Kt. 1911, 1912, 1913
Marshall F. Reid, C.I.E. .. 1914
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Malcolm N. Hogg .. 1917, 1918
Nigel F. Paton 1919
A. H. Broom 1920
H. P. W. Macnaghten .. 1921
Sir Frank Nelson, Kt. 1922, 1923
L. S. Hudson 1924
V. A. Grantham 1925
Sir Joseph Kay 1926
Sir Leslie Hudson .. 1927
Sir Hugh Cocke 1928
G. L. Winterbotham .. 1929
J. R Abercrombie .. 1930
E. Miller 1931
R. R. Haddow 1932
W. G. Lely 1933

Secretaries.

R. X. Murphy 1836–38
J. E. Brenan 1838
R. X. Murphy 1838–41
T. J. A. Scott 1841–46
John Connon 1846–57
John Mawson 1857–58
J. A. Crowe (Acting) .. 1858–59
H. Brooke 1859–64
James Taylor 1864–73
John Gordon 1873–84
David Watson (Acting) .. 1881–82
John Marshall 1884–98
Frederick Nöel Paton 1898–1905
J. F. Leslie Rogers .. 1905-1911
R. E. Gregor-Pearse 1912–1920
C. B. Sayer 1921–1925

R. J. F. Sulivan—Appointed 1925.

* Part year.

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320	0	0	30	0	0	1	8	0	8	0	0	0	12	0	Mail.
									10	0	0	0	14	0	Inland.
360	0	0	32	0	0	1	12	0	8	0	0	0	12	0	Mail.
									10	0	0	0	14	0	Inland.
325	0	0	30	0	0	4	0	0	4	0	0	0	6	0	
325	0	0	30	0	0	4	0	0	4	0	0	0	6	0	
40	0	0	4	0	0	1	8	0	2	0	0	0	3	0	
96	0	0	9	0	0	9	0	0	0	6	0	0	0	6	
40	0	0	6	0	0	6	0	0	0	6	0	0	0	6	
36	0	0	5	0	0	5	0	0	0	6	0	0	0	6	
84	0	0	10	0	0	3	0	0	2	0	0	0	3	0	
16	0	0	..			8	0	0	0	1	0	..			
..			..			5	0	0	..			0	2	0	Mail.
												0	1	0	Inland.
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..			..			0	8	0	..			0	0	6	Inland.
						15	0	0	..			3	0	0	Mail.
												1	8	0	Inland.
..			..			5	0	0	..			1	8	0	Mail.
												1	0	0	Inland
												0	8	0	Mail.
			..			5	0	0	..			0	4	0	Inland.

Note in regard to items that were formerly printed in the Annual Reports of the Chamber but have been omitted from this Report.

In view of the state of the Chamber's finances it has been decided to reduce the cost of printing the annual report of the Chamber by discontinuing the publication in the report of the following items. The pages shown against each item are those in which the item appears in the annual report for 1931.

Memorandum and Articles of Association.

(Volume I, pages 357 to 389.)

Copies of these can be obtained from the Secretary at a cost of Rupee one to members and Rs. 5 to non-members.

By-laws for the election of members of the Chamber as Trustee of the Port of Bombay, etc.

(Volume I, pages 390 and 391.)

By-laws of the Chamber to regulate the arbitration of commercial disputes by the Chamber.

(Volume I, pages 392 to 398.)

Copies of these are available to members and others applying for arbitration.

Rules regarding Committees of Arbitration.

(Volume I, pages 399 and 400.)

Provident Fund Rules.

(Volume I, pages 401 to 409.)

Bombay and other Chambers' Tonnage Scales.

(Volume I, pages 423 to 429 and 524 to 530.)

Copies of the Bombay Chamber's Tonnage Scale may be obtained from the Secretary at 8 annas per copy. Those of the other Chambers may be inspected in the rooms of the Chamber by members interested.

General Rates of Commission.

(Volume I, pages 430 to 433.)

Copies of these may be inspected in the rooms of the Chamber by members interested.

Bombay Port Trust Wharfage Charges.

(Volume I, pages 435 to 523.)

Copies of these may be inspected in the rooms of the Chamber or can be obtained direct from the Bombay Port Trust.

Holiday Lists.

(Volume I, pages 554 to 560.)

Copies of these are distributed among members each year and extra copies can be obtained on application to the Secretary.

Tariff Schedule.

(Volume II, pages 91 to 162.)

Copies of the Schedule are available for inspection by members in the rooms of the Chamber.

Statistics.

The publication of the following statistics, which were copied from the Government Statistical Returns, has been discontinued. They are however available for inspection by members in the rooms of the Chamber.

Foreign Trade of British India.

(*a*) Imports (Volume II, pages 315 to 343).

(*b*) Exports (Volume II, pages 344 to 359).

Foreign Trade of the Port of Bombay.

(*c*) Imports (Volume II, pages 360 to 383).

(*d*) Exports (Volume II, pages 384 to 395).

(*e*) Exports of Indian Cotton Grey Goods (Volume II, page 398).

(*f*) Exports of Indian Cotton Yarn (Volume II, page 399).

Bombay Chamber of Commerce.

ANNUAL GENERAL MEETING.

THE Annual General Meeting of the Members of the Bombay Chamber of Commerce was held in the rooms of the Chamber, Grahams' Buildings, on Wednesday, 15th March 1933, at 11-30 a.m. to transact the following business :—

1. To adopt the Report of the Committee of the Chamber for the year 1932.
2. To confirm the nomination of the members of the Committee of the Chamber for the year 1933-34 in accordance with the provisions of Article 37 (g).
3. To appoint Auditors of the Chamber's accounts for the year 1933 and to fix their remuneration.

Any other business that may be brought forward.

Sir Hugh Cocke, Kt., President of the Chamber, presided and was supported by Mr. G. L. Winterbotham, M.L.C., Vice-President, and Messrs. M. W. Brayshay, L. A. Halsall, J. C. Pender and G. C. Phillips, Members of the Committee.

Among those present were :—

His Excellency the Right Honourable Sir Frederick Sykes, P.C., G.C.I.E., G.B.E., K.C.B., C.M.G., Governor of Bombay Mr. W. W. Nind, Collector of Customs ; Mr. A. Master, C.I.E., I.C.S., Collector of Bombay ; Mr. F. R. Merchant, Income-Tax Commissioner ; Mr. W. D. M. Clarke, H. M. Trade Commissioner ; Capt. R. M. Philby, R.I.M., Principal Officer, Mercantile Marine Department, Bombay District ; Mr. W. R. S. Sharpe, Chairman, Bombay Port Trust ; Mr. C. N. Rich, Docks Manager, Bombay Port Trust ; The Chairman, Bombay Fire Insurance Association ; The Chairman, Bombay Underwriters' Association ; The Consul for the United States of America ; The Consul for Germany ; The Consul for France ; The Chairman, Motor Manufacturers' and Importers' Association, Ltd. ;

The following members of the Chamber were also present :—

Mr. C. A. Russ ..	Messrs. Bell Russ & Co.
,, W. H. Jackson ..	,, Blackie & Son (India), Ltd.
Sir Joseph Kay, Kt. ..	,, W. H. Brady & Co., Ltd.
Mr. H. H. Lakin ..	
,, Nurmahomed M. Chinoy	,, E. M. Chinoy & Co.
,, Alwyn Ezra	,, Sassoon J. David & Co., Ltd.
,, E. J. Bunbury ..	,, Forbes, Forbes, Campbell & Co., Ld.
,, G. C. R. Coleridge ..	,, Gill & Co.
,, J. G. Calderwood ..	,, Glenfield & Kennedy, Ltd.
,, W. L. Clement ..	,, Grahams Trading Co. (India), Ltd.
,, G. J. J. Griffiths ..	,, G. Griffiths & Co.
,, J. L. Riordan ..	,, Heatly & Gresham, Ltd.
,, W. H. P. Waud ..	,, Hardcastle Waud & Co.
,, J. W. Jessop ..	,, William Jacks & Co.
,, N. B. Macbeth ..	,, Macbeth Bros. & Co., Ltd.
,, A. B. Mallett ..	,, Mackinnon Mackenzie & Co.
,, J. J. Flockhart ..	
,, G. S. Taunton ..	
,, Meyer Nissim ..	,, Meyer Nissim & Co.
,, Cavasji Cursetji Dalal	,, Moolji Jaitha & Co.
Lt.-Col. H. Murray ..	,, W. M. Marshall & Co.
Mr. E. G. Montgomery ..	,, Owen & Okell.
Sir Reginald Spence, Kt.	,, Phipson & Co., Ltd.
Mr J Platt	,, Pilkington Bros., Ltd.
,, W. M. Petrie ..	,, Ralli Bros. Ltd.
,, H. L. Richardson ..	,, Richardson & Cruddas.
,, F. S. Woodcock ..	
,, R. L. Ferard ..	,, David Sassoon & Co., Ltd.
,, F. Stones, O.B.E. ..	,, E. D. Sassoon & Co., Ltd.
,, O. A. Guggenheim ..	,, E. Spinner & Co.
,, R. D. Fraser ..	,, Steel Bros. & Co., Ltd.
,, J. S. Pringle ..	

Mr. L. A. Stronach ..	Messrs. L. A. Stronach & Co. (India), Ltd.
„ T. E. Cunningham ..	„ Turner Morrison & Co., Ltd.
„ J. A. Gloag	
„ R. Scherer	„ Volkart Bros.
„ J. Vonesch ..	
„ W. G. Lely	„ Wallace & Co.
„ J. I. Elliott	„ Wilson Latham & Co., Ltd.
„ J. F. Macdonell ..	„ Bombay Co., Ltd.
„ C. N. Moberly, C.I.E.	Bombay Electric Supply and Tramways Co., Ltd.
„ L. W. Boulter ..	Bombay Gas Co., Ltd.
„ G. H. Cooke ..	Burmah-Shell Oil Storage and Distributing Company of India, Ltd.
„ G. O. Pike ..	
„ R. N. B. Brunt ..	
„ A. W. Percy ..	
„ D. A. Fyfe	
„ J. F. Petrie	Central Agency, Ltd.
„ H. G. Sale	W. T. Henley's Telegraph Works Co., Ltd.
„ A. J. Stahelin ..	Holland-Bombay Trading Co., Ltd.
„ W. A. Bell	Imperial Chemical Industries (India), Ltd.
„ B. N. Gamudia ..	New Mofussil Co., Ltd.
„ H. L. McCowan ..	Sizing Materials Co., Ltd.
„ C. I. Brown	Socony-Vacuum Corporation.
„ A. O. Dick	United Steel Companies (India), Ltd.
„ W. M. Martin ..	Wolverhampton Works Co., Ltd.
„ S. J. Wheler ..	
„ I. A. Marlow ..	
„ J. P. Mehta	Bombay Steam Navigation Co., Ltd.
„ A. G. Gray	Bank of India, Ltd.
„ J. C. Ridland ..	Imperial Bank of India.

Mr. W. R. Ward ..	Imperial Bank of Persia
„ E. Rose	Atlas Assurance Co., Ltd.
„ H. E. Davies Simon ..	Commercial Union Assurance Co.
„ H. F. Stackard ..	
„ L. G. B. Gould ..	General Accident Fire and Life Assurance Corporation, Ltd.
„ A. S. Chadwick ..	Pearl Assurance Co., Ltd.
„ E. H. Cole	Royal Exchange Assurance Corporation.
„ C. R. C. Gardiner ..	New Zealand Insurance Co., Ltd.
„ H. Chamberlain ..	Sun Life Assurance Co. of Canada.
„ G. P. Meadows ..	Royal Insurance Co., Ltd.
„ O. Wuthrich	C.I.B.A. (India), Ltd.
„ S. Fuchsmann ..	Havero Trading Co., Ltd.
„ G. Velthorst ..	Nederlandsch Indische Handelsbank.
„ S. O. Sundgren ..	Western India Match Co., Ltd.
„ T. H. Rydin ..	

Mr. R. J. F. Sulivan, Secretary and Mr. H. Royal, Assistant Secretary of the Chamber.

The notice convening the meeting having been read, Sir Hugh Cocke, in opening the proceedings, said :—Your Excellency and Gentlemen—It is a matter for much regret that Mr. Haddow, who was elected President of the Chamber for the year just concluded, had to resign his office last October. I should like to pay a tribute to Mr. Haddow's work for the Chamber. He was Vice-President in 1931, and, during that year and a portion of last year when he acted as President, he gave up an immense amount of time and care to the Chamber's work, for which we extend to him our sincere thanks. Although I regret Mr. Haddow's absence from this Chair to-day, it is a matter of satisfaction to me that I not only had the honour of presiding at the first of the five Annual General Meetings which His Excellency has now attended, but to-day also I am permitted to preside at what I fear will be the last one he will be able to honour. You, Sir,

have been good enough to attend all our Annual Meetings during your period of office; you have always taken the greatest interest in our work, and, for that and the help you have always been ready to extend to us, we express our deep gratitude.

Trade of India.

2. As regards Indian Trade in general, it cannot be said that the year just concluded has seen any great improvement, although there have been indications from time to time in different directions that bottom has been touched. Imports of merchandise (including Government Stores) for the nine months to the end of December reveal an increase of 5½ crores compared with 1931, but a drop of 26 crores compared with 1930.

The principal increases for the nine months were :—

	Increases. Lakhs.
Cotton Yarns and Manufactures ..	684
Metals—Other than Iron and Steel and Manufactures	105
Cotton—Raw and Waste	89
Silk— Do.	58

The important decreases were :—

	Decreases. Lakhs.
Sugar	107
Vehicles (excluding Railway locomotives).	98
Metals, Iron and Steel and Manufactures	83
Grain, Pulse and Flour	77
Oils, Vegetable, &c.	71

3. As regards exports of merchandise, the figure for nine months to December 1932 was 99 crores, a drop of 22½ crores

compared with 1931 and a drop of no less than 78½ crores compared with 1930.

The principal variations in exports were :—

	Increases. Lakhs.
Jute, Yarns and Manufactures ..	38

There were no other increases of importance.

Amongst many decreased items may be noted :—

	Decreases. Lakhs.
Cotton—Raw and Waste	741
Tea	254
Jute—Raw and Waste	200
Seeds	196
Wool—Raw	134
Grain, Pulse and Flour	105
Hides and Skins (raw)	99
Cotton, Yarns and Manufactures ..	95

4. The trade of the year 1932 is reflected in the total receipts of the railways which for the current year to 31st March 1933, are estimated at 85.20 crores compared with 87 crores (actuals) for 1931-32.

5. The full picture of the depression of 1931 and 1932 is seen by missing out 1931 and making a comparison between the Imports and Exports for the nine months (April—December) of 1930 and for the same months of 1932, and by comparing the total railway receipts for 1930-31 with those estimated for 1932-33.

The figures are :—

Imports less by 26 crores.

Exports less by 78½ crores.

Railway Receipts less by 10 crores.

It is noteworthy that the budget estimate made early in 1931 of the total Railway Receipts in 1931-32 was 101 crores;

the actual figure turned out to be 14½ crores less. The budget estimate for 1932-33 was 88.70 crores, the amount now expected is 3.50 crores less.

6. *Gold Exports.*—Exports of gold continued throughout 1932 at a high level and from September, 1931, when England went off the gold standard, to December 1932, they amounted to over 111 crores. The extent of the exports have been exaggerated in certain quarters. If the weight of gold only is considered it will be found, as Sir George Schuster pointed out in his Budget speech, that even when three times the amount exported to date has been sent away, we shall still have more gold in hand than we had eleven years ago. While most people agree that those who invested in gold over a long period of years were entitled to sell their investment at a profit without interference from Government, many think that a time may come when the process of export should be checked. This problem is linked with that of the establishment of the Reserve Bank, and is no doubt receiving careful attention from the Government of India.

7. *Ottawa Trade Agreement.*—Any review of the trade of India for 1932 would be incomplete without reference to the Imperial Economic Conference at Ottawa last July. The leader of the delegation was Sir Atul Chatterjee, supported by Mr. Shanmukhan Chetty, Sir Padamji Ginwalla, Seth Haji Abdoola Haroon, Sahibzada Abdus Samad Khan and Sir George Rainy. During my membership of the Assembly I have come into close contact with all these gentlemen, and I venture to state that India was most fortunate in the personnel of her delegation. Sir Atul Chatterjee emphasised the necessity of restoring and stabilizing the general level of prices and achieving exchange stability. He pointed out that the benefits to production and trade of a preferential system may be swept away unless it is supported by a monetary and credit policy which assures a reasonable measure of stability of general wholesale prices, and that the precipitous fall in the level of those prices in the last three years

had created a situation fraught with dangerous consequences to the economic life and to the public and private finance of all countries, and particularly of countries like India, which are mainly engaged in the production of primary commodities. It may be mentioned here that the index figure in 1932 for wholesale prices in British India, according to "The Economist" was 91 (average of eleven months), it was 96 in 1931, 117 in 1930 and 141 in 1929 (1914-100), a drop of 50 in 3 years.

8. The reciprocal tariff agreements made at Ottawa have subsequently been ratified by legislation throughout the Empire. Nowhere, I should imagine, was the tariff agreement subjected to closer scrutiny than at Delhi, and, after weeks of hard work and intense discussion, the necessary legislation was passed in December and came into force on 1st January last. The Chamber kept in close touch with this matter throughout, and our thanks are due to the Special Sub-Committee consisting of Messrs. Halsall, McIntosh and Abercrombie which was appointed for the purpose.

9. *Anti-Dumping Legislation.*—Another matter which must be referred to in considering the position of trade in India in 1932 is the question of depreciated currencies, and the consequential excessive imports of certain goods. In July last year this Chamber, represented by Mr. Haddow and Mr. Halsall, with the Bengal and Upper India Chambers, joined the textile industry in forming a deputation to wait upon the Government of India at Simla to discuss the urgent matter of imposing additional import duties to counteract the depreciation of the Yen. The Chamber subsequently addressed the Government of India urging the introduction of legislation to empower Government to take executive action to protect indigenous industries which might be affected by abnormal importations from any country due to depreciated exchanges. Particular attention was drawn to the imports from Japan of cement, boots and shoes, paper, paint and artificial silk piece-goods. The Committee urged that the legislation

should be as comprehensive as possible by providing anti-dumping and exchange equalisation measures to apply to all countries.

10. As a result of the representations, substantial increases were made in the import duties on certain piece-goods. At the Annual General Meeting of the Associated Chambers of Commerce held at Calcutta early in January this year, a resolution moved by this Chamber was adopted unanimously to the effect that suitable legislation to deal with the evil under reference should be brought forward. No proposal of action has so far been announced by Government; meanwhile there is no doubt that certain indigenous industries are seriously affected.

Bombay Trade.

11. Turning for a moment to the trade of Bombay during 1932, we find an improvement in *imports* of merchandise for the nine months to 31st December 1932, of 4½ crores (compared with an All-India improvement of 5½ crores), and a decline of 10 crores in *exports* (compared with an All-India decline of 22½ crores). Roughly Bombay's share is nine-elevenths of the increase in imports and nearly half the decline in exports.

12. *Riots.*—It should be stated, in connection with the trade of this City, that, although much more political calm was enjoyed in 1932 than in either of the previous years, unfortunate, and for a time alarming, communal rioting broke out in May. Thanks to hard work on the part of magistrates, police, the military arm, and many private citizens, peace was restored after a few weeks. In connection with the riots, it may be noted that a fall of Rs. 61,000 in revenue from the entertainments tax is ascribed mainly to this cause.

13. *Cotton Situation.*—Another factor which has adversely affected the trade of Bombay has been the dislocation of the Cotton Market caused by the unfortunate introduction of politics into business. The effect of the dislocation was felt not only by

all sections of the trade, Indian, British and foreign, but also by rural areas and up-country markets which were deprived of a free market for their produce. In view of the inability of the East India Cotton Association to control the situation, Government were compelled to step in with a Bill which aimed at improving the regulation of the market in such a way as to secure free trading and minimise outside interference. Clauses 9 and 10 of the Bill gave Government special powers to deal with times of abnormal trade. While agreeing generally with the principle that Government interference with trade was undesirable the Committee of the Chamber expressed the opinion that conditions in the cotton trade in Bombay for some time past had been such that this principle did not apply in this instance. After the adoption of certain amendments, some of which were suggested by the Chamber, the Bill was passed in September and came into force on 1st of November. The period during which clauses 9 and 10 should remain in force was limited to five years. The necessity for Government having the power to take over control of the market in an emergency was clearly demonstrated at the time and the subsequent restoration of normal conditions gives ground for the hope that the powers which they now hold in reserve will not have to be put into operation.

Diversion of Trade from Bombay.

14. The question of the diversion of Bombay's trade to Kathiawar Ports is one which is by no means new. The conflict of interest between the States, the Government of India and the major ports of British India is set forth in an admirably lucid manner in paragraphs 242, 243 and 244 of the Indian States Enquiry Committee's Report. The Chamber Committee, after an examination of this Report, decided to write a letter to Sir Hubert Carr, who represented the European Commercial Community at the third session of the Round Table Conference, pointing out that the Report raised issues, so far as the Kathiawar Ports were concerned, which seriously affected both the trade of Bombay and the revenues of the Government

of India. The Committee invited Sir Hubert Carr's attention to certain aspects of the question for such action as he considered might usefully be taken during the progress of the Round Table Conference.

15. The position of the State of Bhavnagar is extraordinary. This State, by virtue of certain treaty rights, is enabled to retain the whole of the customs duties levied on goods entering the port, whether they remain in the State or are passed over the border into British India. The figures quoted in the Report show that in the five years 1926-27 to 1930-31 these customs duties have increased enormously from 9.18 lakhs to 51.05 lakhs.

16. At the recent session of the Round Table Conference the Committee appointed to consider the question of Federal Finance, recommended that Maritime States should retain at the most not more than the value of the duties on goods imported through their ports for consumption by their own subjects.

17. It should be mentioned that a proposal by the Chamber designed to help the Port of Bombay and the revenues of the Government of India, viz., that the import duty on cotton should be replaced by an excise duty on cotton consumed by mills, has not met with approval from the Government of India. The Committee recently addressed Government again on the subject, as the reason given by Government seemed most inadequate and unsatisfactory and the matter is of such vital importance to the trade of Bombay that the Committee felt that it could not be allowed to rest where it was.

Finances of the Government of India.

18. There is little time this year, between the introduction of the Budget at the end of February and the date when this speech has to be ready, in which to review the financial position of India and the remarks of the Finance Member. Having listened to all five Budgets of Sir Basil Blackett and to the first four of Sir George Schuster, and having taken part in the subsequent debates, the finances of the Central Government are a

matter of special interest to me. For that reason perhaps it is just as well, from the point of view of my listeners, that I have to cut my remarks short, for I might be tempted into a long survey on this subject. Sir George Schuster put the situation briefly but aptly when he said at the commencement of his Budget Speech "The results for the two years (1931-32; 1932-33) combined show a total budgetary deficit of 9.58 crores against which may be set the total provision made for Reduction of Debt of 13.73 crores." We may therefore say that in the two years from 1st April 1931 to 31st March 1933, which he described as the two most difficult years for public finance that the world in times of peace has ever known, we shall not only have paid our way but have provided a net sum of 4 crores and 15 lakhs for the Reduction of Debt. "I think" (he said) "that this result is one which is a legitimate cause for satisfaction, and which amply justifies the great improvement in the credit of the Government of India which the recent rise in our security prices has shown."

19. The improvement in India's credit during the past year, and the lowering of the Government borrowing rate, were influenced largely by the wonderful conversion scheme carried out last year in England, but it has also been helped materially by the more settled political situation. As His Excellency the Viceroy pointed out in addressing the Legislative Assembly on 1st February, at each step in the chain of Government Loan operations the level of the Government's credit has been raised, and whereas in June last borrowing took place on a 5½ per cent. basis, the last transactions show Government credit established very nearly at a 4 per cent. basis.

20. The announcement prior to the Budget Speech that the ten per cent. cut in the salaries of Government Servants imposed in September 1931 will be reduced to five per cent, from 1st April 1933 is regarded by many as premature, particularly when considered in relation to the state of the finances of this Presidency. Having regard to the pledge given by Sir George

Schuster, however, the cut could only be regarded as temporary, and he was committed to the statement made in 1931 that "relief must come first in restoring the emergency cuts in pay, and, secondly in taking off the surcharge on the income-tax now to be imposed." It is satisfactory to note that the exemption at present enjoyed by Government servants from the special increases in taxes on incomes imposed by the Emergency Finance Act of 1931 are no longer to be continued. On the principle that all should bear income-tax alike, public opinion was very much averse to the concession which was given to the services, and I trust no such concession will ever again be contemplated.

Bombay Government's Finances.

21. The finances of the Bombay Government have been a troublesome matter for several years. The realised deficit in 1931-32 was 47 lakhs. The expected deficit this year is 27 lakhs (which it must be noted compares with a deficit estimated a year ago to be 59 lakhs).

The budget deficit for next year is expected to be 35 lakhs.

22. It is, I think, much to be regretted that after reducing the deficit of 47 lakhs in 1931-32 to 27 lakhs in 1932-33, it has not been possible, even with the help of the proposals of the Reorganisation Committee, to eliminate that deficit in 1933-34. The financial difference between a balanced budget and a deficit of 30 or 40 lakhs may not have any devastating effect on a Provincial Government's affairs, but the sentimental side is worthy of consideration. Unbalanced budgets are a financial curse, and they are apt to spread from Government to Municipalities and other public bodies. A balanced budget is a great example to all, which Government ought to strive hard to achieve.

23. The deficit of 35 lakhs estimated for 1933-34 has been reduced to the extent of 3 lakhs by the acceptance of taxation proposals of the Reorganisation Committee; in addition there are some 15 lakhs of expenditure to be saved in 1933-34, arising

out of this Committee's proposals, which will reduce the deficit to 20 lakhs, and 4 lakhs are expected from the new Tobacco taxation which will bring the figure to 16 lakhs. Time has been short and Government have apparently been able merely to nibble at the Thomas report. Most of the suggestions are shown by the Government Statement to be "under examination," a phrase of which the public are inclined to be frightened. Government have pledged themselves to proceed with the task of reconstruction and reorganisation so as to secure the greatest efficiency with the least cost in every branch of the administration with the object of securing a budget which will not only balance but will again provide for gradual development. I trust that will soon be accomplished and that very much more will be got out of the Thomas Report than has so far been extracted. I fear many of the financial troubles not only of this Presidency but of the whole world, arise from lack of foresight after the War. No doubt it was then the public wish that the scale of wages and salaries should go up, quite apart from rises necessitated by the increased cost of living. If a percentage scale of increase in basic pay had been generally accepted, and all further increases had been given in proportion to the increased cost of living, to be revised annually or biennially as that cost went up or down, there would be a much lower salary bill to meet to-day, when we see the index figures of the cost of living down very nearly to the prewar scale. The problem of salary adjustments which is dealt with at length in the report of the Reorganisation Committee, will, I think, have to be tackled boldly by Government.

Federal Finance.

24. While discussing Bombay finances, it is essential to say something about the future finances of the units of the Federation, and about those of this Province in particular. A Sub-Committee of the Chamber was appointed in the middle of last year to review the findings of the Federal Finance Committee presided over by Lord Eustace Percy, as a result of which certain representations were made to the Government of India and the Secretary of State

for India. It is not necessary to go into details now. It is the greatest of all problems how to raise enough money by taxation in India to provide for the growing demands of the public in numerous directions, to maintain efficient services and to ensure adequate defence. It is equally a problem how to divide the revenue which can be collected so as to make it go as far as possible towards the needs of the Central Government and the Units, remembering the reserve that the former must have for emergencies.

25. I am not proposing to pursue these problems to-day for the very good reason that no final decisions have been taken. The subject was discussed at considerable length by a Committee of the Round Table Conference last December, and some progress towards solving the complex problem was made, but many gaps have still to be filled, and I have little doubt that a lot more will be heard about this matter before very long. Bombay will not be satisfied unless a share of Income-tax is allotted so that under any normal period of progress in the future, there will be a head of expanding revenue in which to share.

Constitutional Matters.

26. Turning to questions involved in the coming changes in the constitution, my thoughts go back to 1928, when I was last President, when we were engaged in preparing a Memorandum on behalf of the Associated Chambers to present to the Simon Commission. A lot has happened since then, and many of the views then held have undergone a material change. The Third Session of the Indian Round Table Conference has recently been concluded. At that Conference three important reports, which had been prepared since the previous session of the Round Table Conference, were considered. I refer to the Reports of the Franchise Committee presided over by Lord Lothian, the Indian States Enquiry Committee presided over by Mr. J. C. C. Davidson, M.P. and the Federal Finance Committee presided over by Lord Eustace Percy, M. P. As our annual report shows, all these

reports were carefully considered by the Chamber Committee with the assistance of Special Sub-Committees. Although this Chamber has taken an interest in most of the problems which have arisen in connection with the constitutional changes, it has naturally taken a special interest in problems attaching to finance and commerce.

27. *Financial Safeguards* : The Committee which sat in London last December to review the subject of Financial Safeguards examined, in particular, paragraph 18 of the Second Report of the Federal Structure Committee to the effect that it would be necessary to reserve to the Governor-General in regard to budgetary arrangements and borrowing, such essential powers to enable him to intervene if methods were being pursued which would, in his opinion, seriously prejudice the credit of India in the money markets of the world. The Committee agreed that the requisite power for the Governor-General could be suitably obtained by placing upon him by statute special responsibility in financial matters. It was pointed out that, as in the case of other special responsibilities of the Governor-General, the responsibilities of the Ministers for the matters committed to their charge would remain unfettered and complete unless and until the Governor-General felt it necessary to exercise the powers entrusted to him ; and, when he did exercise his powers, his actions would be so expressed as to make it clear that his Ministers bore no responsibility for them. Unless occasion arises for the exercising of these exceptional powers, it will be for the Ministers and the Ministers alone to take decisions upon such matters as the means to be used for raising the necessary revenue, for allocating expenditure in the responsible field and for the programme of external and internal borrowing. It was further agreed that the Governor-General should not exercise these special powers unless he is satisfied that failure to do so would seriously endanger the financial stability of the Federation, and the Committee suggested that this should be made clear in

the Governor-General's Instrument of Instructions. It was agreed that the Governor-General should be enabled to obtain the services of a Financial Adviser.

28. *Reserve Bank.*—It was also decided by this Committee that every effort was to be made to create on a sure foundation and free from any political influence a Reserve Bank, and that the proposals to be submitted to Parliament should be based on the assumption that such a Reserve Bank would have been created prior to the inauguration of the Federal Constitution. We have since heard from His Excellency the Viceroy, that it is hoped that it will be possible to make known before the end of the present Session of the Legislative Assembly the programme for the procedure in this matter. It is generally agreed that having regard to the existing financial and economic conditions it is difficult to predict when it will be possible to launch the Reserve Bank, but all will agree that the necessity for this step exists. In the concluding paragraph of the Report it was remarked that the Committee were conscious of the difficulty in any country of reconciling the introduction of far-reaching constitutional changes, necessarily affecting finance, with the highly important requisite that the confidence of world markets and of the investor in future financial stability should be maintained. They believed that the Ministry of the future Federation would pursue a course of financial prudence and that the Federation would rapidly establish an independent credit of a high class.

29. The financial provisions which were outlined in this Report are undoubtedly designed to afford India an assured prospect of maintaining the confidence of the investment market. Assuming that a prudential financial policy is pursued by the Federation, the Committee felt that there should be no need to call the proposed special safeguards into operation. Their existence will, however, afford reassurance to the investing public at a time when far-reaching developments in the political and financial sphere are being introduced.

30. *Commercial Safeguards.*—The Special Committee of the Round Table Conference which considered the subject of Commercial Safeguards in London last November, endorsed the conclusion of the Federal Structure Committee in its Fourth Report, dated 27th November 1931, that the avoidance of discrimination would best be achieved by specific provisions in the constitution prohibiting legislative or administrative discrimination by reason of race, descent, religion, place of birth, the carrying on of any profession, trade or business, or in respect of residence or travel.

31. At one stage of the Committee's discussions a distinction was sought to be drawn between those persons carrying on business "in" and 'with" India. The majority of the Committee were not in favour of any such distinction, but were of the opinion that this aspect of the matter should be dealt with on the basis of the principle of reciprocity, *i.e.*, that no subject of His Majesty domiciled in the United Kingdom and no company registered in the United Kingdom should be subjected to any disabilities or discrimination, in respect of the matters already enumerated, to which subjects of His Majesty domiciled in India or companies registered in India are not subjected in the United Kingdom. The Committee's proposals are based upon a conviction of the desirability of maintaining unimpaired, under the changed conditions which will result from the new constitution, that partnership between India and the United Kingdom with which the prosperity of both countries is bound up, and they are confident that the proceedings and policies of future Indian Governments will be informed by a spirit of mutual trust and goodwill which will render it unnecessary to call into play the provisions of the Constitution to be framed on this matter.

32. I think that leaders in business should be satisfied generally with the points of agreement reached on the subjects of Financial and Commercial Safeguards. But the future proceedings will require to be carefully watched, to ensure that the Federation is launched on the soundest possible lines.

COMMUNICATIONS.

33. *Railways.*—The development of communications in India since the war is of no little interest. First of all, there was a great public demand for more railways and the backwardness of India in this respect was much emphasised. Considerable energy was directed towards an improvement, and as a result the total mileage of railways which was 36,700 in 1919-20 has been increased by some 6,000 miles. Sir George Rainy in his speech introducing the Railway Budget in 1928 announced that the new construction then in hand included over 90 different projects covering more than 4,600 miles. Not long after that announcement it was realised that a substantial slowing-down of expenditure was essential in order to conserve capital, which could only be borrowed at high rates. More recently, with a large slump in railway earnings, and a growing demand for road development, the nature of the problem of communications has assumed new aspects. Sir Joseph Bhore in introducing the Railway Budget last month said "Our capital programme is a very attenuated one. Apart from the completion of our existing commitments, it provides only for bare essentials. No new lines are to be undertaken, the amount of 32 lakhs provided for new construction being only for the purpose of completing lines already begun." Sir George Schuster in his Budget Speech said: "As regards the outlets for capital expenditure, these again must be carefully chosen. Contrary to the general public impression, it does not appear that there are any very urgently needed railway extensions or railway works, for in spite of the restrictions of the past few years, the railways have kept fairly well abreast of current needs." The Finance Member also said that he thought the time was coming when Government could safely contemplate relaxing the restriction on capital expenditure which has had to be imposed during the last few years. He added that one hope amid the present depression is that the power to raise long term loans at low rates of interest will provide a stimulus for the revival of capital expenditure; for that is the only sound way by which

an exit can be found from the present depression. I trust Government will push on with the policy of reasoned capital expenditure as soon as possible.

34. *Rail v. Road.*—The necessity of co-ordination as between Roads and Railways was brought prominently to the notice of the Government of India in the General Discussion on the Railway Budget a year ago, and it was suggested that a Minister of Transport should take the place of the Member for Railways. Sir George Rainy in replying to the debate said: "I am glad that the point has been brought forward in this House as one which might engage the attention of those who have under their consideration at the moment matters connected with the future constitution of India. I should not dream to-day of offering any solution of my own as to how the matter might be adjusted, but certainly the course of events all over the world in one country after another, and also in India itself, suggest that, before very long, the necessity of co-ordination will be forced upon us whether we will or no, and that therefore it might be advisable that some provision on the subject should be made in the constitutional structure."

In pursuing their enquiries into this problem, the Government of India, spurred on by the activities of the Indian Roads and Transport Development Association, have acted with considerable, but I must not say unusual, promptitude, for within a few months of the cautious remarks of Sir George Rainy, a Touring Committee consisting of a Railway Officer, Mr. Kirkness, and an expert in roads in the person of Mr. Mitchell, was actively at work. This small committee was instructed to visit all Provinces to consult Local Governments, Railway Administrations and Public Bodies on this important problem, and a very useful report has now been produced.

35. A further step in the co-ordination of Road and Railway development will be taken shortly when, as announced by His Excellency the Viceroy, an important conference will be held to

consider problems connected with communications and transport. At this conference there will be represented all the Provincial Governments, the Railway Board and certain non-official organisations connected with motor transport. It is thought probable that as a result of the conference a Central Board of Communications will be set up and Provincial Boards of Communications formed in each Province. These measures may be expected to secure for India in due course a properly co-ordinated system of transport and should place the future economic development of the country on a really sound basis.

36. It is well perhaps that these problems of transport are being considered now, so that when, as everyone hopes, a definite trade revival takes place, machinery will be available to deal with a large demand for transport. In recent years the imports of motor vehicles and accessories have been definitely on the downward trend. In this connection it might be of interest to quote the extraordinary reduction in the number of car units produced in the U. S. A. in the last four years. The figures are :—

1929	5,358,000
1930	3,355,000
1931	2,389,000
1932	1,436,000,

a reduction of 3,922,000 units or over 72 per cent.

37. *Amendment of Railway Act.*—A Bill was introduced in the Assembly last autumn for the amendment of the Railways Act so as to make it clear that any railway company may own and operate unconditionally road motor services for the carriage of passengers and goods in areas served by the railway. I do not know to what extent railways will avail themselves of the facility, but it seems right that they should have the power to run motor services in the areas which they serve and we accordingly gave the Bill our blessing.

38. *Communications by Air.*—Coming to the subject of transit by Air, one wonders whether the present competition between Rail and Road will not soon be changed into a contest between transit by Rail or Road on the one hand and by Air on the other. I am not proposing to dwell upon speculations of that sort, but it is important to remember that in October last, over three years after the opening of the Imperial Airways Service between England and India, the link southwards from Karachi to Bombay and Madras was inaugurated. The necessity for this complementary service has been repeatedly represented by the Chamber. But the credit for the extension must go almost entirely to the energy and enterprise of the House of Tata's, who, with no subsidy and scant official encouragement, persevered until success was achieved and a much needed facility provided for the commercial public of Bombay. Further developments in Air Mail services across India from Karachi to Rangoon are urgently called for and a long resolution on this subject was passed at the last meeting of the Associated Chambers of Commerce.

39. At the same meeting a resolution was adopted recommending a reduction of the air mail postage rates from India to the United Kingdom to at least a level with the United Kingdom-India rates, which are 4½*d.* as against 6 annas. In supporting this resolution your delegates moved an addition recommending that, with a view to the encouragement of air mail services in India, the air mail postal rate between the United Kingdom and any destination in India and *vice versa* be made a flat one whether the mails are carried by air or other means in India. Under the present air mail arrangements the public are faced with alternative routes, alternative superscriptions and alternative rates which lead to a good deal of confusion and delay. It also means that the internal air services lose a large proportion of the mail load on which they depend for their existence. If air services are to develop as rapidly as they should it is indispensable that the

process of sending letters by air should be as simple as possible and a flat rate is the obvious solution.

40. *Statutory Railway Authority.*—During the year with the assistance of a special Sub-Committee, the problem of a Statutory Railway Authority under the new Constitution was examined by the Chamber in response to a Note received from the Associated Chambers. The Committee were in favour of such an authority on the lines of the South African system. They considered the Board should be appointed by the Governor-General in Council for five years, and that it should have a preponderance of railway experts upon it. They stated that they could not sufficiently stress the importance of the Statutory Railway Board being entirely free from political influence. They also felt that the Board should work in close co-operation with whatever body it was decided to place in control of roads and other transport services, in order to promote the development of feeder services and to ensure the most economical working of, and co-operation between, all forms of transport. A resolution in favour of a Statutory Railway Authority was passed, on the motion of the Bengal Chamber, at the Annual General Meeting of the Associated Chambers held at Calcutta last January.

Labour Matters.

41. In India as in other countries labour questions are assuming increasing importance. In addition to numerous references from the International Labour Office we have this year been called upon to examine a number of legislative measures designed to implement the recommendations of the Royal Commission on Labour. Of these measures the most important perhaps are amendments of the Workmen's Compensation and Factory Acts, but there are many others as will be seen from a glance at the index to the report in your hands. In dealing with these matters we have endeavoured to take a broad view in the belief that the interests of the employer are best served by

promoting the welfare of labour. From the technical point of view we have been assisted by a very competent Sub-Committee to whom your thanks are due for the able manner in which they have handled a variety of intricate topics.

42. A scheme is on foot for the formation of an All-India Federation of Employers' Association. The idea is not a new one but it appears to be taking definite shape now more particularly since a resolution approving of it was adopted at the recent meeting of the Associated Chambers. Such a Federation if formed should, I think, fulfil a useful function in the economic life of this country and is therefore to be welcomed.

Income Tax.

43. A number of Income-tax matters have been referred to the Chamber and dealt with in the first instance by the Income-tax Sub-Committee. I need only refer to three of these.

Foreign Income.—A Bill was introduced in the Legislative Assembly last September the purpose of which is to tax foreign income when brought into British India. At present foreign income is only liable to Indian income-tax (*a*) if it is derived from business, and (*b*) if it comes to India within three years. The Committee accepted the principle that all foreign income which accrues or arises after the Bill becomes Law, should be liable to income-tax whenever it is received or brought into British India.

Income-tax Evasion.—The Committee gave their attention during the year to the question of income-tax evasion, and have supported in general the clauses of a second Income-tax Bill introduced last September to put certain checks on evasion.

Income-tax Appeals.—A private Income-tax Bill introduced last year seeks to establish an Appellate Authority for assessees outside the Income-tax administration. The view of your Committee was that the present system, whereby appeals can only be made to the Income-tax Department, was by no means

ideal and they would welcome a practical alternative. The Bill, after being circulated for opinions, recently went to a Select Committee, and I have no doubt it will be found possible to put the idea into practical shape.

General Matters.

44. Many matters have come before the Chamber during the year with which it is not necessary or indeed possible for me to deal, but which have been referred to in the monthly excerpts and are now before you in the Annual Report. A large number of diverse subjects is dealt with and a study of those subjects shows how valuable is the work of the Chamber.

Domestic Matters.

45. *The Chamber's Finances.*—A year ago your President, the Hon'ble Mr. E. Miller, referred to the Chamber's finances pointing out that our expenditure had exceeded our income in 1931 by Rs. 19,000. He stated that a Sub-Committee was examining the expenditure with a view to economy and retrenchment. In 1932 the loss has been reduced to Rs. 12,000. Care is required in comparing the details of the expenditure of the two years, for in 1931 the Chamber's contribution to the Provident Fund was shown in the General Expenditure, while in 1932 it has been split up, as is done with salaries, between the General, Statistical and Measurement Departments. Subscriptions from members are slightly better while income from the Statistical Department and Measurement Fees is about Rs. 7,000 less. Our subscriptions and donations paid away are Rs. 2,300 less, while the expenses of administering the General, Statistical and Measurement Departments are down by about Rs. 12,500.

46. The Sub-Committee which has been reviewing the finances considered it their duty to budget for a small surplus in 1933, and with this end in view put forward recommendations which were accepted by the Committee and which are set out in the report. It was with reluctance that the Committee decided

it was necessary to make a cut in the emoluments of the staff, particularly as normal increases in salary have been suspended for some time. But a reference to the accounts will show that about three-quarters of the expenditure of the Chamber last year went in salaries and provident fund contributions, and it was therefore not found possible to produce a balanced budget for 1933 without recourse to some reduction in the establishment charges. I think the future grades of salaries paid by the Chamber should be considered by the new Committee in the light of present conditions and the lower cost of living.

47. *The Chamber's Book of Decisions.*—As members are probably aware the Chamber publishes a book containing decisions of the Chamber on shipping and mercantile matters. The fourth edition which contained decisions given between 1882 and 1923 was published in May, 1924. The book is at present under revision by a Sub-Committee and when completed will contain the decisions given from 1882 to 1932, *i.e.*, covering a period of 50 years. It is a handy little volume and should be one of the books of reference in every mercantile office.

48. *Sir Leslie Hudson, Kt., M.L.A.*—It is probably known to all that Sir Leslie Hudson, who was President of this Chamber in 1924 and again in 1927, has returned to India to assist in the representation of Bombay in the Central Legislature and I feel sure all members of the Chambers will be pleased at having him back in India for this purpose. He has now been elected as the Leader of the European Group. Sir Leslie Hudson was recently elected an Honorary Member of the Chamber by the Committee.

49. It now only remains for me to express my grateful thanks to the Vice-President, Mr. Winterbotham, the other members of the Committee and all those who have worked so well and so willingly on Sub-Committees. The Import Sub-Committee and the Labour Sub-Committee have had numerous matters referred to them. Mr. Winterbotham's interest in and services

to the Chamber are well known and require no elaboration from me. I also thank most heartily the Secretary, the Assistant Secretary and the whole staff for their loyal work.

50. The new President and Vice-President, Mr. Lely and Mr. Halsall, are well known and the Chamber is to be congratulated on securing them for their respective offices. Mr. Halsall having been on the old Committee will provide a valuable link between that Committee and the new one ; a remark which also applies to Mr. Pender.

51. In conclusion may I say what a great privilege I deem it to have been President of this Chamber for a second time. The work is always interesting if at times it is exacting. At the present time, when constitutional changes of great magnitude and importance are not very distant, the necessity for bodies of business men to put on their thinking caps and to sit round tables in an effort to solve difficult problems is very real. But I believe, useful as the work of the Chamber may have been in the past, the future will have still greater need for such work. As members know, we do not make a habit of tackling political problems, but the constitutional changes have a very material interest to business and commerce, and that is why we have become rather immersed in such problems in recent years. I wish the Bombay Chamber of Commerce all success in the future, confident that it will continue to be a most useful body, not only to its members, but also to the future Government of this Presidency and indeed to that of the whole country.

52. I now have much pleasure in moving that the Report of the Committee of the Bombay Chamber of Commerce for the year 1932 be adopted and confirmed.

MR. G. L. WINTERBOTHAM, M.L.C., the Vice-President, said : Your Excellency, Mr. President and Gentlemen,—In seconding the Resolution that the report for the year be adopted and confirmed it falls to me to call attention to one or two points which the President has excluded from his review.

Registration of Trade Marks.

We are glad to be able to report that the vexed question of Registration of Trade Marks in India has been advanced an important stage onward since reference was made to the matter at last year's meeting. When towards the middle of last year this Chamber's views on the matter were circulated to other Chambers for their comments it appeared that there was no unanimity of opinion and that the matter could not progress, but at the recent annual meeting of the Associated Chambers we were successful in securing the passing of a unanimous resolution in favour of legislation to provide for voluntary registration with a view to secüring that the onus of proof of infringement is transferred from the plaintiff to the defendant. The matter is now before the Government of India with whom lies the next step. Let us hope that the acknowledged difficulties of introducing the legislation which we desire will not prevent the subject being thoroughly examined in the light of modern conditions.

Infringement of Piecegoods Designs.

A cognate subject is the infringement of designs on imported piecegoods which has in recent months become a serious menace to the owners of designs registered in India under the Patents and Designs Act. The matter was brought to a head by a ruling of the Collector of Customs that he could no longer detain under the provisions of Section 18 (*d*) of the Sea Customs Act such offending goods, in view of it having been held by the Solicitor to the Government of Bombay that "the Collector of Customs has no power to detain goods on the ground that such goods bear a design which infringes a design of other manufacturers, as a design is not a trade mark or a trade description within the meaning of the Indian Merchandise Marks Act, 1889."

Here again this Chamber was successful in getting a unanimous Resolution passed by the Associated Chambers in favour of legislation to give the Customs Authorities the required power

to deal with this matter in the effective way in which they were previously accustomed to do. In this matter too the next step lies with the Government of India.

And while on the subject of Customs it will be appropriate to mention that this Chamber has with the support of the Associated Chambers recently moved the Government of India to pass orders that in assessing goods to duty under Section 30 of the Sea Customs Act the greatest care should be taken to see that goods which clearly ought to be assessed under sub-section (*b*) on landed cost should not, as is the increasing tendency, be assessed under sub-section (*a*) on the basis of market values. This is an intricate question on which I do not propose to enlarge but it is a matter of great importance to importing interests and I would invite a reference to the discussion on the resolution recently moved by this Chamber at the annual meeting of the Associated Chambers when the proceedings are available as they shortly will be.

Code Telegrams.

A specially unwelcome decision to the mercantile community is the recent Resolution of the International Telegraph and Radio Conference held at Madrid in September last year to adopt a five-letter instead of the existing ten-letter code. This decision, which was arrived at in the teeth of British and Indian opposition, means that from 1st January 1934 we shall all have either to change our codes or put up with a further advance in our cabling charges, as the rate for the new five-letter code will be 60 per cent the full ten-letter word rate. We took the lead with the Government of India in ensuring their opposition to the proposals but unfortunately the vote of the minor administrations was too strong for the commercially most important countries and it looks to us as if there was something wrong with the rules governing the voting at the Conference.

In connection with the charges for cabling I would direct the attention of members to the recent correspondence exchanged

between the Associated Chambers and the Director-General of Posts and Telegraphs in regard to the increase of rates for foreign telegrams made in October 1931. This does not bring much comfort but at least it explains the necessity for the increased rates which was not at all clear to us before.

Weights and Measures.

A piece of legislation of great importance to the trading community is the Bombay Weights and Measures Act passed in October last. This long and elaborate Act which is designed ultimately to standardise Weights and Measures throughout the Presidency is not yet in force in any part of it. I understand that Rules under the Act are now being framed and when those are published it will be very important for the Chamber to assist Government by a close examination of them. Your Committee did their best to see that no obnoxious or dangerous provisions were embodied in the Act and the same procedure must be adopted with the Rules.

Bombay Port Trust.

Before I close I should like, if I may, as the Chamber's oldest representative on the Board of Trustees of the Port of Bombay, to say a few words on that much criticized but extremely efficient body, the Bombay Port Trust. Criticism, if well informed and constructive, is wholesome and welcome but I am afraid that much of the criticism which one hears of the Port Trust can only be classified as loose talk. It has on more than one occasion at these meetings been emphasized how great a proportion of the revenues of the Trust has to be appropriated to uncontrollable expenditure in the shape of provision for Debt Charges. The figure is now something over eight annas in every rupee in view of the Trust's greatly reduced income following the reduced trade of the Port to which the President has referred. Every member of the Chamber should make it his duty to read the Chairman's Introductory Note to the 1933-34 Port Trust Budget as this brings out not only the general difficulties with

which the Trust has been faced—these are common to all ports—and the particular problems peculiar to Bombay such as diversion of trade to Bhavnagar and other Kathiawar Ports, but also the extent to which controllable expenditure has been reduced in recent years. I am confident that if they will do this all members will be convinced, as I myself am, that in producing a Budget for the coming year which only fails to balance by Rs. 75,000 Mr. Sharpe has reason to congratulate himself and the administration on no mean achievement. It is true that it has not been done without the imposition of a surcharge of 12½ per cent on rates which we hope will be temporary, but your Committee satisfied themselves during the year that the charges of this Port do not on the whole compare unfavourably with those of other major ports while Bombay is not alone among the Ports in having to increase its charges.

On behalf of the Chamber I endorse the recent appeal by the Chairman of the Port Trust for the co-operation of all bodies to prevent further diversion of trade from Bombay and assure him of the fullest measure of support which we are able to give.

I beg to second the adoption of the Report.

The Report was then adopted.

His Excellency the Governor said :—Sir Hugh Cocke, Mr. Winterbotham and Gentlemen,—I am very glad, and esteem it a great privilege to have been asked, to be present here again to-day to take part in the Annual Meeting of your very influential Chamber, and, as you say, Sir, this is the fifth time that I have had this honour. It is indeed an annual event of much importance and forms a landmark from which we can survey the economic events of the past year and take stock of the prospects of the coming one.

This meeting is timed to take place shortly after the Finance Member of the Government of India has made his Budget speech, that pronouncement which in these days is of such paramount importance to you, Gentlemen, and indeed to all of us, as well

as to the future prospects of this great country as a whole. I am sure you will all agree that the improvement in the credit of the Government of India is most gratifying, but I realise that you must feel keen disappointment that it has not been possible to announce some reduction of taxation. I am afraid it is idle to contest the statement that the burden of taxation is at present very severe, and has a seriously restrictive effect on the recovery of trade, of which, as you say, Sir, there have been some faintly discernible signs. Nor, obviously, will you find it much consolation to be told that elsewhere in the world people are even worse off than you are, but, looking at the question from another angle, I think it must be agreed that it is a maintainable defence of the Government position in their inability to reduce taxation, to show that conditions in many other countries are far worse than they are in India.

Ample evidence of this fact is available. Here I will only refer to the draft agenda submitted by the Preparatory Commission of Experts to the forthcoming World Monetary and Economic Conference, which contains some interesting facts. Unemployment has recently been estimated by the International Labour Office as involving at least 30 million workers, a huge total which does not include the workers' families or other dependents and is probably an under-estimate. Household commodity prices expressed in gold have declined since October 1929 by roughly a third, and raw material prices on the average by 50 to 60 per cent. In the middle of December at Winnipeg the price of wheat fell to the lowest level recorded in any primary market for wheat during the past four centuries. World stocks of agricultural products and of other raw materials continue to accumulate. The index of world stocks for 1932 was double that for 1925. These huge accumulations overhang some of the principal markets and burden the processes of orderly price readjustment. Industrial production has been drastically curtailed. The United States steel industry at the close of 1932 was operating at only 10 per cent capacity. The international flow of goods, hindered

by currency disorders and restricted by governmental interventions, has been reduced to incredibly low levels. The quantum of goods in foreign trade appears to have fallen by at least 25 per cent, the largest fall on record. National incomes in many countries have fallen by more than 40 per cent. Revenues of Government as a consequence have suffered large reductions, while expenditure has shown no corresponding decline. The inevitable result has been a series of budget deficits which in some cases have reached unprecedented proportions. In some forty countries exchange restrictions have been imposed, and most countries are confronted with vast and difficult problems of indebtedness.

The various countries of the world have endeavoured to deal with this situation in different ways. Some have endeavoured to avoid increasing the burden of taxation and have faced the prospect of continued budget deficits, if not with equanimity, at least as the lesser of two evils. Great Britain and India, however, have adopted the other line and have insisted on a balanced budget even at the risk of maintaining a burden of taxation which by some has been described as crushing. We have not yet seen the British budget and so we cannot at this stage tell whether any alleviation of the taxpayers' burden will be possible therein. From present indications, however, I am afraid it does not seem likely that any substantial reduction of taxation will be possible, and at Delhi the Government of India have definitely come to the conclusion that it is impossible to take the risk of reducing taxation this year.

Whether the course adopted by Great Britain and India is right or not is, of course, a matter of opinion, and time alone will show which view is sound. Personally I feel no doubt on the subject, and in view, Sir, of your remarks about the psychological as well as the financial importance of presenting a balanced budget for this Presidency, I presume I may take it that you agree with me. There is, moreover, at the present moment a very special reason for attaching particular importance to the

maintenance of the credit of India at its present high level. Any weakening of credit at this time, when there is to be a transfer of a wide measure of authority to the elected representatives of the people of India, would be a grave source of weakness to the reformed Government. Whatever safeguards it is finally decided to provide, there is no doubt that this transfer of authority will be a dangerous period for India's credit, and the time therefore is most inopportune for taking even those risks which one perhaps might be tempted to take in more normal times.

I need not dilate further to you, Gentlemen, on the great importance of securing financial stability in India, for I am sure you all fully appreciate the achievements of the past year in improving her credit, and indeed you, Sir, have fully recognised in your speech the satisfactory reduction in the borrowing rate from 5½ to 4 per cent. I am sure you must also appreciate the fact that the country has been protected from violent fluctuation in its currency, and that it has not been necessary to impose restrictions on the movement of money. In my opinion few factors exercise such an obstructive influence on the pace of world recovery in the financial sphere as the restrictions on the movement of money which have had to be imposed in so many European countries. In spite of the financial crisis, which can only be described as world-wide, India has been able to carry on without such impediments, and has also met her obligations.

I note, Sir, in this connection that you have refrained from expressing any very definite opinion on the vexed question of the export of gold, and I do not wish to step in where angels fear to tread. But I do feel bound to make just this one point, that if it is at all possible to do without such restrictions it is worth while making a special effort to avoid them for psychological as much as for practical reasons.

I am glad that you are able to comment on the improved political situation in the City of Bombay. It is, of course, very difficult to assess how far our financial difficulties of the past

three years have been due to the subversive political agitation carried on in this Presidency, and particularly in Bombay City, and especially to the unfortunate attempt to bring about the dislocation of business for political motives. Personally I have always felt that, though we should be chary of attaching too much importance to the efforts of Congress to interfere with the normal course of trade in this City, none the less it is a fact that the first step towards an improvement in trade and financial prospects must be an improvement in the political situation which would enable us to put a definite stop to this interference. I am sure you will agree that in this direction there has been a very striking improvement during the last year, and we must all hope that the prospects for a trade improvement have become brighter locally as a result. The disastrous communal rioting which broke out in May constituted, as you say, a serious set-back to this improvement, but it is satisfactory to relate that peace was definitely restored after a few weeks, and I am sure you will all join with me in the hope that the present year does not bring with it a fresh outbreak of disturbances of any sort.

The most disastrous effect of the political activities was, of course, upon the cotton trade of Bombay, and I note with pleasure that you are able to express approval of the Bill introduced by Government to deal with this situation. I am glad to have this opportunity also of expressing my thanks to your Chamber for the support you gave in carrying the measure through. You will no doubt be interested to hear that the bye-laws to comply with the requirements of this Act have recently been passed by the East India Cotton Association and are now with Government for examination and approval. I am very glad indeed to have been informed that in the Bombay Cotton Market there is now general free trading. I think that we may fairly claim that the passing of the Cotton Contracts Bill and the existence of the emergency powers contained therein have had an important effect in bringing about this state of affairs. The revival of full activity in the Bombay Cotton and Produce Markets must now

depend on the general improvement of trade all over the world, and I can only express a fervent hope, in which I am sure you will all share, that this improvement will not be long delayed.

Probably one of the most important factors which seems likely to affect world trade, for the improvement in which we are all looking so anxiously at the moment, is the American financial crisis. He would be a bold man who attempted to forecast its full effect. Its immediate effect in Bombay has been a rise in prices of raw cotton and a corresponding rise in cotton mill shares. The financial crisis in America will of course affect all markets throughout the world, and one effect has already been seen in Bombay in the improvement of cotton prices. Apart from its short period effect, I wonder whether we may hope that it will result in a permanent settlement on the subject of war debts? I hardly think we can discern any progress in the economic situation of the world during the last month or two; indeed I am inclined to fear there has been some deterioration. This, though disappointing, can hardly be called unexpected, for it must be most discouraging to enterprise to find that the world economic conference has had to be postponed as a result of the holding up of the War Debt negotiations. If that incubus on world trade can be removed it will stimulate the flow of trade in all channels and help towards that revival for which Bombay is so eagerly looking.

My Government is in full sympathy with your complaints about the diversion of trade from Bombay to the Kathiawar Ports and have been in correspondence with the Government of India on the subject. I can assure you, Sir, that we shall do all in our power to help you in this matter, but, as you are aware, these questions that depend on treaty obligations are exceedingly complicated ones.

I should like, if I may, to congratulate your Chamber on the interest which it has consistently taken and is taking in the vast problem of constitutional advance. I am sure you are right in

your decision that the time is past when it was possible for those with such wide interests in India to adopt an attitude of complete aloofness from politics. This attitude is already, in my opinion, quite impossible to maintain, and with the coming of the new Constitution any attempt to do so would of course be more than ever disastrous. I am glad to have this opportunity of giving expression to my gratitude for all the help you have given on constitutional questions by way of criticism and advice, and I know that I can count upon you for a continuance in this way in what will perhaps be the still more difficult period that we are now to go through.

To turn for a moment to the Vice-President's speech, I am glad to note the interest expressed in the legislation we have introduced to standardise weights and measures throughout the Presidency, and I thank you for the part you have played in the passage of this Act through the Council. I am glad also to have your promise of assistance in the further procedure necessary for examination of the rules framed under the Act. A set of rules has now been prepared and is under examination in the Secretariat. We hope to publish them shortly for public criticism, and I shall look with interest for what you have to say about them. I know you do not need any assurance from me that any suggestions you make will be accorded the most careful consideration before the final draft of the rules is issued. It is not proposed to bring the Act into operation in any part of the Presidency until the rules have been finally determined.

I should particularly like to express my gratitude and appreciation of your sympathetic reference to the Bombay Port Trust. It is indeed satisfactory to find that a body like yours, which has to bear so much of the burden of the surtax recently imposed on Port Trust dues, should admit the necessity of the surtax in present circumstances so readily and candidly. I should also like to associate myself fully with the words you have spoken in cordial appreciation of Mr. Sharpe and the administration of the Port Trust in general.

I have left to the end the consideration of the question of the Provincial finances. They do not perhaps affect you quite as closely as the finances of the centre, but I imagine that they form a subject which you will expect me to deal with in this speech and indeed they are bound to be a matter of burning interest to many of us at this moment. The financial difficulties of the Bombay Government arise partly from the slump in prices from 1930 onwards together with the adverse effect on Government's finances of the subversive agitation of the years 1930 to 1932 but they have resulted very largely from the inherited commitments, which, as you, Sir, have remarked, were undertaken by the Government of the time with the full approval of the public of that time. Three items only need be quoted, the development scheme, scales of pay that are inelastic and which are high in comparison with to-day's prices, and the striving after prohibition which has stimulated the consumption of illicit liquor.

Salaries were increased after the war partly because of the increased cost of living but also largely because there was a general feeling that the wages of at any rate the lower grades of Government servants had been too low before the war. The results are shown both in establishment costs and more particularly under the head of pensions. Also, in that expensive period which Bombay enjoyed after the war, development schemes were undertaken which now involve a net recurring burden on the Presidency's finances of 62 lakhs of rupees a year. These schemes were undertaken on expert advice and with the approval and support of leading business men of the time. In similar circumstances a business firm would have had to write off these capital liabilities but no Government can do this without causing very serious damage to the trade and commerce of the country, and consequently we have still to bear the burden of these commitments. Interest charges, debt repayment and pensions have to be regarded jointly as first charges upon Government revenues. And I do ask you, Sir, and the business world of Bombay always to remember that our budget to-day would show a comfortable

surplus if it had not to provide for the cost of development schemes which were undertaken in a spirit of optimism which was at the time shared by most of the business world here and on which the funds were fully spent over a decade ago.

Having recalled to your mind some of the reasons for Government's difficulties I think I may go further and claim also that a great deal has been done already towards meeting them. Some of our critics spend a great deal of time telling Government that they must retrench and enquiring why they have done nothing about it. I know that this is not the attitude of your Chamber nor of the important business interests which it represents. But I am not sure whether even they fully realise that, excluding the moratorium on debt repayments and taking no credit for the emergency cut in pay, retrenchments under various heads of expenditure have been already effected to the extent of more than a crore of rupees per year in comparison with the provincial expenditure of 1930-31.

This is a very considerable achievement and the Honourable the Finance Member has already given assurances in his budget speech that Government will unrelentingly pursue the policy of reconstruction and reorganisation so as to secure the greatest efficiency with the least cost in every branch of the public administration.

My Government have so far carried out those recommendations of the Reorganisation Committee that could be effected in a short time. And I can assure you that the entry "under examination" in the Government statement does not mean that the recommendations have been put into cold storage but that Government are pushing on with the examination of them with unabating vigour. It will be realised that major issues such as the fixation of scales of pay throughout the Presidency is a large task and one upon which orders cannot be passed hurriedly. And I would again remind you that whatever orders are passed their full effect will only be realised over a period of years.

Just as our accounts are now showing the burden of the orders passed and commitments entered into in the boom years, so it will take some years for the full benefit of our reorientation of policy to be realised. We must hope that our efforts will be assisted before long by the financial re-settlement which will be made in the new Reforms. But it would be unwise for me to attempt to forecast the form of that readjustment or what will be its financial effect. We may perhaps receive some indications in the White Paper which is due to be published at the end of this week.

Governments like business firms make mistakes, and I have always noticed that it is those who have not held responsible positions who are normally the most vigorous exponents of disruptive criticism. This is one of the reasons why I take particular pleasure in attending this annual meeting, for I can always rely on a responsible Chamber like yours to be constructive in criticism and to admit that the mistakes must be set off against the benefits received, for in Government also there is a credit as well as a debit side of the balance. Good government is not a gift of nature. It is a thing most difficult to attain, and personally I feel justified in making the claim that on the whole the Government of this country has been good. We must, of course, realise that there are many problems which it is beyond the power of Government to solve. Considering particularly the problems of the present day, one of the chief difficulties is that there is no precedent to guide us in dealing with them, for national troubles are everywhere complicated by the fact that everything is now international: and it is clear that economic and social facts alike have changed so greatly in the last generation that they have far outstripped the economic and social machinery of the world.

In our search for solutions I attach special importance to two items of mental equipment. First, fairness. By which I mean a determination to face all the facts of the case and not to

ignore those which happen to be inconvenient. And, secondly, faith,—a firm belief that with the co-operation of goodwill no human problem is insoluble.

Over and above the ordinary considerations that make a balanced Budget a matter of paramount importance everywhere there are in the Provinces the same reasons as in the Central Government for considering this question to be one of even greater urgency than usual at this moment. With the coming of Provincial Autonomy the Ministers who take office in the first autonomous Provincial Cabinet will undertake new responsibilities of great complexity. It is obvious, therefore that even under the most favourable circumstances their position will be one of peculiar difficulty, and this will be immensely increased if indeed their position is not made wholly impossible if they do not have a fair financial start. For this reason among others we should spare no pains to press for a Provincial Settlement which will give the Provinces, and especially our own industrial Presidency a credit balance and a fair chance of development. We have all along striven, and we shall continue to strive, to make the financial position as sound as possible before the new constitution is inaugurated. It was largely with this end in view that we introduced the Succession Duty Bill. I regret that this measure was not carried through, and I feel sure that in the future those who brought about the downfall of this legislation will themselves come to realise how ill-advised they were. However that may be, that avenue of progress is now closed to us. We shall therefore continue to do all we can to effect financial improvement by other means. We shall continue to strive without ceasing to do all we can in the directions of retrenchment and economy in spite of the manifold and obvious difficulties. Economy in general earns universal praise, but each particular item of economy invariably produces a howl of protest from those directly affected. It is, however, no more possible for Provinces than for individuals to continue living on borrowed money, and we shall continue on the way we have chosen. It is a matter of regret to me that the

recommendations of our Reorganization Committee were not received early enough for incorporation in the Budget. Had it been possible to include them, I have no doubt that we should have been able to present a balanced budget—that desideratum on which you, Sir, rightly lay so much stress. As it is we have had once more to present a deficit budget, but I have confidence that unless in the meanwhile there are further untoward events when the final accounts of the year 1933-34 are available they will with the aid of those recommendations of the Committee that we have been able to accept at once show an actual balance on the right side.

Let me now conclude by once more giving expression to the pleasure I feel at being present here amongst you again. I am fully aware of the very important part that your Chamber, representing as it does the interests of European commerce in this City, has played in the development of the trade of Bombay, and indeed of India as a whole. I know that some of you look with apprehension at the prospects with the coming of constitutional reforms hold out to you, and I expect some are wondering whether under the new conditions you will be able to retain the position of influence and importance which has been yours in the past. Many no doubt are inclined to stand out for securing their position by means of the inclusion of safeguards in the constitution. Constitutional safeguards there must be but the great factors to rely upon will remain British character and its capacity for coping with difficulties and for adaptability in changing circumstances. British trade in India has been built upon the past not on charters or other similar forms of security, but on the qualities of determination and business capacity, and I am sure that so long as Britons continue to display these qualities they will maintain their position here as elsewhere in the world, whatever constitutional changes and developments there may be. I am afraid, Sir, that this is probably the last occasion on which I shall have the privilege of being present at your very important annual meeting. This does not mean, however, that

my interests in the Chamber will cease, I shall always endeavour to maintain the closest touch with Bombay, and shall look out with interest for news of its progress and development, and I am sure that such news will continue to contain an account of the great part played in the life of the City and Presidency by the Bombay Chamber of Commerce.

SIR JOSEPH KAY proposed, MR. C. N. MOBERLEY, C.I.E., seconded and it was agreed with acclamation :—

"That the thanks of the Chamber be tendered to the President, the Vice-President and the outgoing Committee for their able conduct of the affairs of the Chamber during the past year."

MR. J. G. RIDLAND proposed, MR. G. C. COLERIDGE seconded and it was agreed :—

"That the nomination of the following members of the Committee of the Bombay Chamber of Commerce for the year 1933-34 in accordance with the provisions of Article 37 (*g*) be and is hereby confirmed :—

T. E. CUNNINGHAM, ESQ.
J. J. FLOCKHART, ESQ.
S. FUCHSMANN, ESQ.
J. F. MACDONELL, ESQ.
J. C. PENDER, ESQ.
W. M. PETRIE, ESQ.
ALBERT RAYMOND, ESQ."

SIR REGINALD SPENCE proposed, Mr. G. H. COOKE seconded, and it was agreed :—

"That MESSRS. C. R. SHARP & Co. be and are hereby elected Auditors of the Chamber's accounts for the year 1933 at a remuneration of Rupees two hundred and fifty."

MR. E. J. BUNBURY said :—"Sir, I rise to propose a hearty vote of thanks to His Excellency. This vote of thanks is a rather special one differing from the former votes of thanks that have been moved in the previous four years, because it is the fifth and last occasion we shall have of welcoming His Excellency

at our Annual General Meeting. It is no exaggeration to say that the years of office of His Excellency have coincided with a period full of difficulties unparalleled in the history of Bombay. The political rebirth of a Nation throughout history has been accompanied by conditions of anxiety, apprehension and disturbances—conditions as uncomfortable for those being reborn as for those attending at the rebirth. The success with which His Excellency has steered the good ship Bombay through these rough seas is due mainly of course to the advice sought from and tendered by the Bombay Chamber of Commerce, and I like to think that it is due in some measure also to the skill in navigation he has acquired at the helm of his Yacht on the waters of Bombay's beautiful Harbour. Throughout this period he has kept in close touch with Bombay commercial opinion and with this Chamber in particular, not only by attending our Annual Meeting, but also by frequent conferences with the Executive of this Chamber. He has patiently listened each year to the lengthy and often weighty pronouncements which have fallen from the lips of our successive Presidents on matters connected with the activities of our Chamber, and the commercial and political problems of the day. He has sympathetically heard our troubles and grievances, and has on occasions even ventured to disagree with us. All this has doubtless been very good for us and I hope not without some benefit also to him. I would like therefore that he accepts this vote of thanks, of good wishes, and farewell, which we are about to carry in the way in which it is offered to him, namely, not only to him as Governor of Bombay and head of this Province, but also to Sir Frederick Sykes the man—the friend of Bombay and of the Bombay Chamber of Commerce. When this motion has been seconded by Mr. Gray I ask you to carry it with acclamation."

The resolution was seconded by Mr. A. G. Gray and carried with acclamation.

A vote of thanks to the President terminated the proceedings.

Bombay Chamber of Commerce.

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ANNUAL REPORT.

For 1932.

ELECTION OF PRESIDENT AND VICE-PRESIDENT OF THE CHAMBER FOR THE YEAR 1933.

In accordance with the prescribed regulations MR. W. G. LELY and MR. L. A. HALSALL were elected President and Vice-President, respectively, of the Chamber for the year 1933-34.

CHANGES IN THE COMMITTEE DURING 1932.

SIR ERNEST JACKSON, KT., C.I.E., resigned his seat on the Committee on his retirement from India. The Committee in accepting SIR ERNEST JACKSON'S resignation passed the following resolution :—

" The Committee desire to place on record their appreciation of the valuable services rendered to the Chamber by Sir Ernest Jackson as a Member of the Committee during the years 1924, 1926, 1928, 1930 and 1932."

MR. M. W. BRAYSHAY was invited to serve on the Committee in his stead.

MR. R. R. HADDOW tendered his resignation as President of the Chamber as from 8th October 1932 on proceeding to Europe and in accordance with the prescribed regulations, SIR HUGH COCKE, KT., was elected as President until the next ensuing annual general meeting.

BOMBAY LEGISLATIVE COUNCIL.

CHAMBER'S REPRESENTATIVE.

MR. W. G. LELY, one of the representatives of the Chamber in the Bombay Legislative Council, resigned his seat in January 1932 and in accordance with the prescribed regulations MR. G. L. WINTERBOTHAM was elected to serve in his stead. Later in the year MR. R. R. HADDOW, the other representative, also resigned his seat on proceeding to Europe and MR. J. B. GREAVES was elected to serve in his stead.

BOMBAY PORT TRUST.

CHAMBER'S REPRESENTATIVES.

MR. E. C. REID, one of the representatives on the Board of Trustees of the Port of Bombay, obtained leave of absence from the Board meetings for 7 months in April 1932 and MR. R. C. LOWNDES was elected to serve during his absence.

MR. R. R. HADDOW, another of the Chamber's representatives on the Board of Trustees, obtained six months leave of absence from the Board meetings from 8th October 1932 and MR. A. B. MALLETT was elected to serve during his absence.

BOMBAY MUNICIPAL CORPORATION.

CHAMBER'S REPRESENTATIVE.

The term of office of MR. G. O. PIKE as the Chamber's representative in the Bombay Municipal Corporation expired on the 31st March 1932 and in accordance with the prescribed regulations MR. ALWYN EZRA was elected to represent the Chamber for a period of three years from the above date.

BOMBAY IMPROVEMENTS COMMITTEE.

Chamber's Representative.

The term of office of Mr. R. H. Parker, the Chamber's representative on the Bombay Improvements Committee, expired on the 28th April 1932 and Mr. Parker was, under the prescribed regulations, re-elected to serve for a further period of three years.

BACK BAY RECLAMATION SCHEME STANDING ADVISORY COMMITTEE.

Chamber's Representative.

Sir Joseph Kay, kt., the Chamber's representative on the Standing Advisory Committee of the Back Bay Reclamation Scheme, having applied for leave of absence from the meetings of the Committee for 6 months from the 9th April 1932, Mr. R. R. Haddow was nominated to serve during his absence.

GOVERNMENT OF BOMBAY ROAD BOARD.

Chamber's Representative.

The term of office of the Hon'ble Mr. E. Miller as the Chamber's representative on the Road Board expired on the 19th October 1932 and the Committee re-nominated him to serve for a further period of two years from that date.

PROPOSED ADVISORY ROAD BOARD.

The Government of Bombay in November 1932 informed the Chamber that a resolution was passed at the Conference

of Police Officers held in 1931 recommending the creation of an Advisory Road Board in each Province representing the interests of the motor trade, motoring associations, the police and the authorities responsible for the upkeep of roads, and enquired whether the Chamber would be willing to nominate a representative on such a Board when created.

The Committee in replying to the Government of Bombay enquired in the first place as to what would be the functions of the proposed Advisory Board and the relation in which it would stand to the existing Bombay Government Road Board. The Committee understood that the Mitchell Kirkness Enquiry Committee had under consideration a proposal that a Provincial Board of Communications should be formed in each Province to work in with a Central Board of Communications whose functions would be to co-ordinate the requirements of each Province with that of India as a whole. The Committee enquired whether it was proposed to proceed with the creation of an Advisory Road Board in the event of a Provincial Board of Communications being formed but they added that whichever body it might be decided to set up they would be pleased to nominate a representative to serve on such a body.

INDIAN CENTRAL COTTON COMMITTEE.

Chamber's Representative.

The term of office of Sir Joseph Kay as the Chamber's representative on the Indian Central Cotton Committee expired on the 31st March 1932 and the Committee renominated Sir Joseph Kay to serve for a further period of two years.

AUXILIARY FORCE ADVISORY COMMITTEE.

CHAMBER'S REPRESENTATIVE.

The term of office of the Auxiliary Force Advisory Committee expired on the 21st June 1932 and the Committee of the Chamber re-nominated LT.-COL. W. T. C. HUFFAM, O.B.E., M.C., A.M.I.M.E., as the Chamber's representative on the new Advisory Committee which took office on the above date.

G. I. P. RAILWAY LOCAL ADVISORY COMMITTEE.

CHAMBER'S REPRESENTATIVE.

The term of office of MR. L. A. HALSALL as the Chamber's representative on the G. I. P. Railway Local Advisory Committee expired with the meeting on the 5th May 1932 and the Committee re-nominated him to serve for a further period of two years with effect from the meeting for the month of June 1932.

RAILWAY RATES ADVISORY COMMITTEE.

CHAMBER'S REPRESENTATIVE.

In January 1932 the Committee of the Chamber nominated MR. A. ACHLIMBARI of Messrs. Ralli Brothers, Ltd., to serve on the commercial panel of the Railway Rates Advisory Committee in place of MR. G. SUGDURY who had left India.

BOMBAY TRAFFIC COMMITTEE.

CHAMBER'S REPRESENTATIVE.

MR. J. C. REED, the Chamber's representative on the Bombay Traffic Committee, having obtained 8 months leave of absence, MR. R. N. B. BRUNT was nominated in February 1932 to serve during his absence.

INDIAN SAILORS' HOME COMMITTEE.

CHAMBER'S REPRESENTATIVE.

MR. R. R. HADDOW, the Chamber's representative on the Committee of management of the Indian Sailors' Home, Bombay, resigned his seat in October 1932 on proceeding on leave, and the Committee nominated MR. A. B. MALLETT to serve in his stead.

BOMBAY SEAMEN'S SOCIETY.

CHAMBER'S REPRESENTATIVE.

(*See Report*, 1931, *Vol. I*, *page* 5.)

The Committee in February 1932 re-nominated MR. R. J. F. SULIVAN to serve as a member of the Bombay Seamen's Society under the provisions of Rule I (*e*) of the Rules and Regulations of the Society.

PERSIAN GULF LIGHTING ADVISORY COMMITTEE.

CHAMBER'S REPRESENTATIVE.

MR. J. C. REED, the Chamber's representative on the Persian Gulf Lighting Advisory Committee, having obtained eight months leave of absence in February 1932, MR. W. L. CLEMENT was nominated to serve during his absence.

GOVERNOR'S HOSPITAL FUND.

CHAMBER'S REPRESENTATIVE.

MR. C. N. MOBERLY, C.I.E., the Chamber's representative on the Executive Committee of the Governor's Hospital Fund, having obtained six months leave of absence in April 1932, MR. A. S. TROLLIP was nominated to serve during his absence.

SYDENHAM COLLEGE OF COMMERCE.

(*See Report*, 1931, *Vol. I, page xxxvii*).

As was noted in the Chamber's Report for 1931 a resolution was submitted to the annual general meeting of members held on 30th March 1932, rescinding the resolution adopted at the annual general meeting held on 26th February 1913, under which it was agreed to pay annually a contribution of Rs. 1,500 from the funds of the Chamber towards the teaching establishment of the Government College of Commerce in Bombay, now known as the Sydenham College of Commerce and Economics.

A further resolution was submitted agreeing to contribute Rs. 750 to the College for the year 1932 and making such contribution renewable annually at the discretion of the Committee of the Chamber.

In view of the existing state of the Chamber's finances the Committee in December 1932 notified the Government of Bombay that it would not be possible for the Chamber to make any contribution to the Sydenham College in 1933.

AUDITOR OF THE CHAMBER.

Sir Hugh Cocke having been elected President of the Chamber, Messrs. A. F. Ferguson & Co. were ineligible to audit the Chamber's accounts for the year 1932 under article 80 (*b*) of the Chamber's Articles of Association. They accordingly resigned the office to which they were appointed at the annual general meeting of the Chamber in March 1932 and the Committee nominated Mr. G. C. Pocock to fill the vacancy.

THE CHAMBER'S FINANCES.

Owing to the general falling off in the receipts from the Measurement Department and in the subscriptions to the Chamber's Statistical Returns, the Committee deemed it necessary during the year under review to examine the whole position of the Chamber's finances and appointed a special Sub-Committee consisting of Sir Hugh Cocke, Mr. G. L. Winterbotham, Mr. L. A. Halsall and Mr. A. McIntosh, to suggest ways and means of balancing the Chamber's budget. After considering the Sub-Committee's recommendations in this respect the General Committee decided to make the following economies.

1. The annual subscription of Rs. 750 to the Sydenham College of Commerce and Economics be discontinued for the present.

2. The contribution of Rs. 500 per annum towards the cost of the bi-weekly weather and crop telegrams be discontinued.

3. The publication of the following items in Volume I of the Chamber's annual reports be discontinued :—

(*a*) the Memorandum and Articles of Association of the Chamber,
(*b*) the By-laws for election of Port Trustees, etc.,
(*c*) the Arbitration By-laws,
(*d*) the Provident Fund Rules,
(*e*) the Tonnage Scales,
(*f*) the General Rates of Commission,
(*g*) the Port Trust wharfage charges,
(*h*) the Holiday lists, and
(*i*) the Calendar.

4. The publication of the following items in Volume II of the Chamber's annual reports be discontinued :—

(*a*) the Tariff Schedule, and

(*b*) Statistics that are copied from the Government Blue Books.

5. A cash cut of 10 per cent. be made as from 1st February 1933 in the pay of the menial staff who do not participate in the Provident Fund.

6. A cash cut of 5 per cent. from the same date be made in the pay of the remainder of the staff.

7. The amount of the Chamber's contribution to the Provident Fund be reduced from the above date from 8⅓ to 5 per cent. of the salaries of the members of the Fund.

With the above economies it is expected that the Chamber's accounts for 1933 will show a small surplus provided there is no falling off in membership subscriptions or subscriptions to the statistical returns.

SUB-COMMITTEES.

The undermentioned gentlemen were nominated on the following Standing Sub-Committees of the Chamber for the year 1932-33 :—

Import.	*Shipping and Export.*
W. Deacon, Esq.	A. Achlimbari, Esq.
W. A. Bell, Esq.	A. B. Mallett, Esq.
S. Fuchsmann, Esq.	C. F. Morris, Esq.
R. A. F. Kidson, Esq.	W. L. A. Radcliffe, Esq.
G. Lykiardopoulo, Esq.	J. Vonesch, Esq.
C. A. Russ, Esq.	H. C. Whitehouse, Esq.

Finance.

N. S. Golder, Esq.
A. G. Gray, Esq.
J. B. Greaves, Esq.
W. Lamond, Esq.
Sir Kikabhoy Premchand, Kt.
Albert Raymond, Esq.

Agriculture.

W. A. Bell, Esq.
G. C. R. Coleridge, Esq.
M. S. Durutti, Esq.
N. B. Macbeth, Esq.
The Hon'ble Mr. E. Miller
R. Scherer, Esq.

Docks and Railways.

H. P. Ball, Esq.
E. Donovan, Esq.
A. Peel Goldney, Esq.
D. Harrington, Esq.
R. C. Lowndes, Esq.
D. W. MacEwan, Esq.

Labour.

H. F. Hobbs, Esq.
A. B. Mallett, Esq.
R. Mather, Esq.
Col. W. B. Roberts.
F. Stones, Esq., O.B.E.

Income-tax.

Sir Hugh Cocke, Kt.
C. N. Caroe, Esq.
G. C. Pocock, Esq.

MR. S. FUCHSMANN resigned his seat on the Import Sub-Committee during the year and MR. A. L. HUTSON was nominated to serve in his stead.

MR. J. VONESCH obtained leave of absence from the Shipping and Export Sub-Committee and MR. H. BEERLI was nominated to serve during his absence. MR. C. F. MORRIS resigned his seat and MR. J. G. MILNE was nominated to serve in his stead.

MR. ALBERT RAYMOND obtained leave of absence from the Finance Sub-Committee and MR. E. J. BUNBURY was nominated to serve during his absence. Mr. W. LAMOND

resigned his seat and Mr. J. G. Ridland was nominated to serve in his stead.

Mr. H. Chew was nominated to serve on the Labour Sub-Committee during the absence on leave of Mr. R. Mather.

MEMBERSHIP OF THE CHAMBER.

Distinction between Associate and Chamber Members.

During the year under review the Committee of the Chamber had under consideration the question whether the time had not arrived for abolishing the distinction that existed between "Chamber" and "Associate" Membership of the Chamber and for having one class of members only, apart from Honorary Members. A special general meeting of members was accordingly held on Wednesday, 25th May 1932, to amend the Articles of Association for this purpose. The resolution was confirmed at a second special general meeting held on Wednesday, 15th June 1932.

MEMBERSHIP OF THE CHAMBER.

The total membership of the Chamber on the 31st December 1932 was 174 against 174 at the end of 1931. The following are the names of members elected during the year under report.

Messrs. Longmans Green & Co., Ltd. Proposed by Messrs. W. H. Brady & Co., Ltd., and seconded by Messrs. Mackinnon Mackenzie & Co.

Messrs. Blackie & Son (India), Ld. Proposed by Messrs. A. F. Ferguson & Co., and seconded by the Chartered Bank of India, Australia and China.

Lloyd's Agency, Bombay. Proposed by Messrs. James Finlay & Co., Ltd., and seconded by the Chartered Bank of India, Australia and China.

The Vacuum Oil Co., Inc. Proposed by Messrs. Crawford Bayley & Co., and seconded by the Chartered Bank of India, Australia and China.

The Yorkshire Insurance Company, Ltd. Proposed by Messrs. Killick Nixon & Co.; and seconded by Messrs. Wallace & Co.

The Royal Exchange Assurance Corporation. Proposed by the National Bank of India, Ltd., and seconded by the Commercial Union Assurance Co., Ltd.

The English Electric Co., Ltd. Proposed by Messrs. Mackinnon Mackenzie & Co., and seconded by the P. & O. Banking Corporation, Ltd.

The Pearl Assurance Company, Ltd. Proposed by Messrs. W. H. Brady & Co., Ltd., and seconded by Messrs. Mackinnon Mackenzie & Co.

The Cement Marketing Co. of India, Ltd. Proposed by Messrs. Killick, Nixon & Co., and seconded by Messrs. Forbes Forbes Campbell & Co., Ltd.

The Indian Radio & Cable Communication Co., Ltd. Proposed by Messrs. Mackinnon Mackenzie & Co., and seconded by Messrs. Crawford Bayley & Co.

The A. E. G. India Electric Company, Ltd. Proposed by the Havero Trading Co., Ltd., and seconded by the National City Bank of New York.

Messrs. W. M. Marshall & Co. Proposed by Lloyds Bank Limited, and seconded by Messrs. Mackinnon Mackenzie & Co.

The Socony-Vacuum Corporation. Proposed by the Chartered Bank of India, Australia and China, and seconded by Messrs. Crawford Bayley & Co.

The following resigned their membership of the Chamber :—

The Marittima Italiana Navigation Co.; the Vacuum Oil Co.; the United Exporters Ltd.; Messrs. Ruttonsee Ernst & Co.; Messrs. Sulzer Bruderer & Co.; the Eastern Telegraph Co., Ltd.; the Standard Oil Co. of New York, Inc.; The Vacuum Oil Co., Inc.; Messrs. Allen Bros. & Co. (Bombay), Ltd.; Messrs. Curumsey Damjee & Sons; Messrs. W. H. Deeth & Co.; Messrs. Mawson Vernon & Co., Ltd. and Messrs. James Mackintosh & Co.

SIR LESLIE HUDSON.

(*See Report*, 1931, *Vol. I*, *page* 14).

In accordance with the provisions of Article 24 of the Chamber's Articles of Association the Committee, at their meeting on the 4th January 1933, elected SIR LESLIE HUDSON, KT., M.L.A., an Honorary Member of the Chamber.

TONNAGE SCALE.

RATTANS.

A member towards the end of February 1932 drew the attention of the Committee to the Chamber's tonnage schedule in which the scale for " Rattan Canes in bundles " had

to be calculated on the basis of 13 cwts. to a ton. The member stated that from past experience they had found that this class of cargo stowed very badly and they considered that freight should be calculated on a measurement basis. They therefore suggested that the Committee might consider altering the scale if necessary.

In this connection the Committee were also addressed by one of the leading export merchants who pointed out that it was practically impossible for this kind of cargo to be measured and that if the Shipping Companies had any complaint against the present scale, the latter might be revised on a weight basis.

The Committee carefully considered the matter in consultation with the Shipping and Export Sub-Committee and decided not to alter the tonnage scale at present.

THE CHAMBER'S DAILY TRADE RETURN.

Shipments of Castor Seed, Groundnuts & Oil Cakes.

At the request of a member it was arranged in August 1932 to show in the Chamber's Daily Trade Return and Export Manifest the class of goods in respect of shipments of castorseed, groundnuts and oil cakes whenever such information was given in the export shipping bills.

THE CHAMBER'S DAILY TRADE RETURN.

Meaning of certain Words.

For the information of members a statement was prepared in July 1932 explaining the meaning of certain words which appear in the Chamber's Daily Trade Return. For

purposes of record the words and their meanings are reproduced in the Appendices.

ASSOCIATED CHAMBERS OF COMMERCE OF INDIA.

Annual General Meeting, 1933.

The annual general meeting of the Associated Chambers of Commerce of India was originally called for the 12th and 13th December 1932, but as it was subsequently found that it would be more convenient to hold it at a later date, the meeting was held at Calcutta on the 9th and 10th January 1933. The proceedings were opened by His Excellency the Right Honourable Sir John Anderson, P.C., G.C.B., G.C.I.E., Governor of Bengal. This Chamber was represented by the Vice-President, Mr. G. L. Winterbotham, M.L.C., Mr. L. A. Halsall and Sir Leslie Hudson, KT., M.L.A.

The following is a list of subjects in connection with which resolutions were adopted unanimously by the meeting :—

1. Depreciated Currency legislation.
2. Sea Customs Act—Section 30.
3. Import duty on motor cars.
4. Infringement of designs on piece-goods.
5. The future of Indian railways.
6. Railway expenditure.
7. Railway or State Collieries.
8. Representation in the Central Legislature.
9. Registration of trade marks in India.
10. Cut Currency Notes.

11. Postage rates.

12. Development of the Imperial, and use of the existing, air services.

13. International Telegraph Conference : Code telegrams.

14. The burden of taxation.

15. Police protection.

A resolution on the following subject was carried *nem con* :—

16. Federation of Employers' Associations.

A resolution on the following subject was withdrawn after discussion :—

17. Conversion of molasses into power and industrial alcohol.

A resolution on the following subject was withdrawn :—

18. Protection of the oil industry of India from importations of foreign oil at uneconomic prices.

Of the above, resolutions Nos. 1, 2, 4 and 9 were moved by the Bombay Chamber.

ASSOCIATED CHAMBERS OF COMMERCE OF INDIA AND CEYLON.

Change of Name.

The Ceylon Chamber of Commerce tendered its resignation from membership of the Associated Chambers as from the end of the year 1932.

In consequence of the resignation of the Ceylon Chamber the name of the Associated Chambers was changed to the Associated Chambers of Commerce of India.

INDIAN LEGISLATIVE ASSEMBLY.

Representative of the Associated Chambers of Commerce of India and Ceylon.

(*See Report*, 1930, *Vol. I, page* 13.)

Mr. L. V. Heathcote, the representative of the Associated Chambers of Commerce of India and Ceylon in the Legislative Assembly, having resigned his seat on proceeding to Europe on leave, Mr. R. T. H. Mackenzie on the recommendation of the Association was nominated by His Excellency the Governor-General in August 1932 to fill the vacancy.

IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH.

Representative of the Associated Chambers of Commerce of India and Ceylon.

The term of office of Sir Joseph Kay as the representative of the Associated Chambers of Commerce of India and Ceylon on the Imperial Council of Agricultural Research expired in May 1932 and the Association was called upon to make a fresh nomination. Sir Joseph Kay was renominated to serve for a further term.

THIRTEENTH CONGRESS OF CHAMBERS OF COMMERCE OF THE BRITISH EMPIRE.

(*See Reports*, 1930, *Vol. I, page* 12; 1931, *Vol. I, page* 16.)

As was noted in the Chamber's Report for 1931 it was originally arranged that the Thirteenth Congress of Chambers of Commerce of the British Empire should be held in New

Zealand in 1933. The President of the Associated Chambers early in November 1932, however, received a cable from the Federation of Chambers of Commerce of the British Empire to the effect that Canada proposed and New Zealand concurred that the 1933 Congress should be held in London about the end of June and that the New Zealand visit should be postponed to 1936. The Council expressed a hope that the Associated Chambers would agree as the existing crisis necessitated an exceptionally strong delegation to the next Congress.

The President cabled back to the Federation agreeing on behalf of the Associated Chambers to the proposal that the 1933 Congress of the Federation should be held in London instead of, as originally proposed, in New Zealand.

The Committee approved of the action taken by the President on behalf of the Associated Chambers. They invited Sir Macolm Hogg and the Hon'ble Mr. E. Miller to represent the Chamber at the Congress.

THE HONOURS LIST.

The Committee on the 4th January 1932 sent a telegram to the HON'BLE SIR PHILIP BROWNE, President of the Bengal Chamber and of the Associated Chambers of Commerce of India and Ceylon, congratulating him on the well deserved honour of Knighthood conferred on him.

HIS EXCELLENCY SIR FREDERICK SYKES.

Early in February 1932 the attention of the Committee was drawn to certain misleading statements which had appeared in the "Pioneer" and other papers containing

reflections on the administration of His Excellency Sir Frederick Sykes and spreading reports regarding his impending recall.

As the Committee wished to dissociate themselves from these statements they passed the following resolution unanimously at a special meeting held on 5th February 1932 :—

" The Committee of the Bombay Chamber of Commerce have recently observed certain references in the Press to the effect that His Excellency Sir Frederick Sykes was likely to be recalled. The Committee note with satisfaction that an official denial has been given to this statement. With their intimate knowledge of local conditions they consider that the present situation in Bombay is being handled in a statesmanlike manner."

VISIT TO THE CHAMBER OF THE HON'BLE SIR GEORGE SCHUSTER.

On Monday, 11th April, 1932, the Hon'ble Sir George Schuster, the Finance Member of the Government of India, accompanied by Khan Bahadur J. B. Vachha, Commissioner of Income-Tax, Bombay, visited the Chamber and had an informal discussion with the Committee in connection with (1) evasion of income-tax, and (2) diversion of cotton imports to Bhavnagar Port.

VISIT TO THE CHAMBER OF THE HON'BLE SIR C. P. RAMASWAMI IYER.

On Wednesday, 31st August 1932, the Hon'ble Sir C. P. Ramaswami Iyer, K.C.I.E., Acting Commerce Member of the Government of India, visited the Chamber and had an

informal discussion with the Committee on the following subjects :—

(1) Japanese competition and anti-dumping legislation.

(2) Boycott situation in Bombay and the Cotton Contracts Bill.

(3) Diversion of trade from Bombay and the import duty on raw cotton.

(4) Applicability of certificates of origin to the produce of Indian States consigned to the United Kingdom.

(5) Ottawa Trade Agreement.

VISIT TO THE CHAMBER OF SIR ALEXANDER TOTTENHAM.

Sir Alexander Tottenham, KT., M.A., C.I.E., I.C.S., Member, Central Board of Revenue, accompanied by Khan Bahadur J. B. Vachha, Commissioner of Income-Tax, Bombay, visited the Chamber on the 20th July 1932 and had an informal discussion with the Committee and Income-Tax Sub-Committee on the subject of the rate of tax leviable on companies in respect of interest on securities and also on the subject of the evasion of income-tax.

THE SILVER CRISIS.

(*See Report*, 1931, *Volume I, page* 19.)

The Associated Chambers after consulting the constituent Chambers addressed the Government of India in May 1932 supporting the views expressed by the Karachi Chamber that

the Government of India should be very strongly represented on any body, Imperial or International, that might be constituted to deal with the currency problem. The Associated Chambers also expressed a hope that should any proposals for an early meeting of a conference on the subject materialise, the Government of India would take such steps as would ensure that India was properly represented at it. The Associated Chambers added that should any Conference that was convened be held in London, they considered it necessary that Indian interests should be directly represented by the Government of India and not solely through the India Office and that the Government of India should also appoint the non-official delegates.

CURRENCY NOTE REFUND RULES.

(*See Reports*, 1925, *Vol. I*, *page* 29; 1926, *Vol. I*, *page* 43; 1927, *Vol. I*, *page* 20; 1930, *Vol. I*, *page* 16; 1931, *Vol. I*, *page* 27.)

In July 1932, the Associated Chambers of Commerce of India and Ceylon informed the Committee that the Madras Chamber had drawn attention to certain instructions embodied in Circular No. Cy 1398, 137-32, dated 14th June 1932, addressed by the Controller of Currency to all Treasury Officers and Agents of Branches of the Imperial Bank of India. In that circular the Controller of Currency directed all Treasuries and Branches of the Imperial Bank of India not to accept cut notes if the number on one part of the note had been divided by cutting. Tenderers of notes on which either the number had been divided by cutting or of other doubtful notes should be directed to send them to the nearest

Currency Office for payment and it had been decided that only half value would be paid on that half of the note on which the number was complete and that any claim on that half of the note on which the number was incomplete would be rejected. The Madras Chamber pointed out that cut notes had hitherto been accepted by the Currency Office if, as a result of a reference to the Issue Register or of an examination of the portions presented, the Currency Officer was satisfied that they formed parts of the same note and it appeared to them unfortunate that the Controller of Currency had not offered the public any appreciable reasons for abandoning the principle. The Madras Chamber suggested that other constituent Chambers might be consulted and that if opinion was in favour of such action the Associated Chambers might with advantage take the matter up with Government.

In replying to this reference the Committee drew attention to a Press Communiqué issued by the Controller of Currency, dated 2nd August 1932 in which it was pointed out that no change had been made in the rules which were promulgated in Government of India, Finance Department, notification No. F-4 (XV)-F, dated the 19th May 1927, and that cut notes would be paid as usual provided both halves presented formed parts of the same note and provided numbers on each half were clearly identifiable. Notice was given that with effect from 1st November 1932 Rule 6A of the Currency Notes Refund Rules would be strictly enforced and half value only would be paid on half notes which bore the complete undivided serial letter and number.

It appeared to the Committee that the issue of this Press Communiqué to some extent disposed of any grievance on the part of the public who would have up to 31st October to dispose of carelessly cut notes. The Committee understood that the

primary reason for strictly enforcing the rule which existed since 1927 was to put a stop to the practice of cutting notes which was regarded as depriving Government of revenue, in that the normal facilities for transmitting money were not being availed of as they should be. It had to be admitted, however, that in many districts economical means of remitting funds were lacking and a protest on the part of Chambers of Commerce would be necessary if the practice of cutting notes were to be wholly prohibited at this stage. But such was not the case since cut notes would still be accepted provided that they were carefully cut in the prescribed manner. The public were thus not being deprived of facilities hitherto permitted but were being compelled, when availing themselves of these facilities, to do so in, what appeared to the Committee, a reasonable manner. In this connection it was, however, essential that currency offices should follow carefully the instructions laid down by the Currency Department.

Under the circumstances the Committee did not think there were grounds for a protest in the matter. If, however, the opinion of Chambers was generally in favour of some action being taken, the line should be, in the opinion of the Committee, to press Government to enlarge the facilities for postal remittance in the districts while, at the same time, reducing the charges to as low a rate as possible.

The following resolution was on the motion of the Madras Chamber adopted unanimously at the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 9th and 10th January 1933 :—

"In view of the difficulties which arise in connection with rule 6A of the Currency Notes Refund Rules, this Association is of opinion that the present Rs. 100 note should be re-designed so as to admit of it being cut into two portions with less risk of the cut passing through one or other of the serial letters or numbers."

INDIAN BANKING ENQUIRY.

(*See Reports*, 1929, *Vol. I, page* 60; 1930, *Vol. I, page* 17.)

The Report of the Indian Central Banking Enquiry Committee was published in September 1931. The Finance Sub-Committee of the Chamber after studying the report felt that in view of the uncertain situation prevailing throughout the world it was not practicable to deal with the recommendations contained in the report at the present time. The Sub-Committee considered, however, that if and when Government indicated that they proposed to proceed to implement the report then would be the time to make detailed recommendations. In the opinion of the Sub-Committee it was neither probable nor desirable that Government would take action on the report as a whole until world conditions had become more stable. The Committee agreed with the views expressed by the Sub-Committee.

RULES OF THE EXCHANGE BANKS' ASSOCIATION.

(*See Report*, 1931, *Vol. I, page* 19.)

It was mentioned in the Chamber's Report for 1931 that the Committee had asked the Exchange Banks' Association to notify the Chamber of any amendments that were made from time to time in the rules agreed to by the Banks for the conduct of business.

The Committee had occasion again to address the Chairman of the Exchange Banks' Association in January 1932 in regard to representations that had been received from members in connection with some of the rules of the Association. It appeared for instance that the B. C. rates had in some cases been fixed without consideration of the rates

quoted by members of the Association in the open market. For instance on 11th January 1932 the rates were :—

B. C.	T.T.	1.6 1/32	D.D.	1.6 1/16.
Bank Selling ..	T.T.	1.6 3/32	D.D.	1.6 1/8.

The Committee were informed, however, that several banks were selling D. D. on the date at 1.6 5/32.

Another complaint was that there was a very wide margin kept between the Associated Banks' rates for the retirement of bills for collection and the general market rates for fresh business. Formerly it was 1/32. The Committee understood that a large number of sterling bills of small denominations were drawn on demand, or at 10 or 15 days sight. Bills in the two former categories on the 28th December 1931 with the B.C. D.D. rate at 1.6 3/32 would have been fixed at 1.6 3/32 plus 1/32 =1.6¼, whereas the market rate on that date was 1.6 3/16 D.D. A few days latitude was available in the case of drafts drawn at 15 days sight, but drawees would not be able to avail themselves of this unless the rules were published for general information. The Committee pointed out that the loss of 1/16 pence in Exchange on every contract was a matter of importance in the course of a year and when the relevant rule became known the tendency would be for merchants in India to press the suppliers of their goods for longer usances for their drafts which from the shippers' point of view, would be merely increasing the risk of the business.

The Committee quoted the following further example in which the rules of the Association were in conflict with the interests of merchants. The Committee mentioned that the rate at which Banks would borrow call money from

houses had been fixed at 2½ per cent. below the Imperial Bank rate, irrespective of the current rate for call money in the market. This rule was not included in the summary of resolutions published by the Exchange Banks' Association in December 1930 and had apparently been brought into force without consulting the mercantile community.

The Committee felt that it would be in the best interests of all concerned if the different points of view were ascertained on all contemplated changes in the rules of the Exchange Banks' Association, and they therefore reiterated the suggestion previously made by them, *viz.*, that they should, whenever possible, be afforded an opportunity of expressing their views beforehand on any important change that might be under consideration by the Association.

The Committee asked that they might be favoured with the Association's considered opinion on the various points raised by them.

In reply the Association stated that their rules were not in conflict with the interests of merchants but were framed for the purpose of facilitating business and further the Association reserved to itself the right to make such rules as were necessary for the conduct of its members' business.

With regard to the first complaint raised by the Committee the Association stated that they would endeavour to maintain the retirement of bills for collection at not more than 1/32 of a penny under the current market rate, subject to difficulties in fixing rates in moving markets. The Association further stated that the rate at which Banks would borrow or lend was a matter entirely for themselves to settle. The Association added that they did not favourably entertain the suggestion that contemplated changes in the Rules of the Association

should be submitted to the Committee of the Chamber for consideration before being finally adopted.

The Committee in reply stated that they noted what the Association had said in respect of maintaining the rate for the retirement of bills for collection. The Committee, however, drew the attention of the Association to paragraph 442 of the majority report of the Indian Central Banking Enquiry Committee where it was recommended that the Exchange Banks' Association should consider the advisability of consulting commercial bodies in all cases of changes in their rules.

Intimation was received from the Association towards the end of March 1932 that its members had agreed to borrow call money from houses at the maximum rate of 1½ per cent. under the Imperial Bank of India rate rising and falling therewith. This rate was also applicable to money borrowed up to a period not exceeding thirty days.

In August 1932, the Association intimated that the following additions had been made to their rules :—

To Rule No. 9 *Payment of B. C. and A. B.*

"The rate quoted for the retiral of Sterling Bills be the same for demand as for T.T. This to apply to Bills for Collection and Advance Bills."

To Rule No. 7. *Contracts.*

"All Contracts for sales of demand drafts must contain a T.T. option at the same rate and *vice versa*; in other words no contract can be made for demand or T.T. alone."

To Rule No. 17. *Utilization of T. T. options.*

"If a T. T. option on a contract is exercised the merchant must pay the telegram charges."

HOURS OF BUSINESS DURING WHICH EXCHANGE MAY BE TRANSACTED THROUGH A BROKER.

The Exchange Banks' Association informed the Chamber in November 1932 that it had been suggested that during these days of depression the hours during which exchange might be transacted through a broker should be condensed as follows :—

On Mondays to Fridays	10 A.M. to 2 P.M.
On Saturdays	10 A.M. to 1 P.M.

The present hours for transacting such business are :—

On Mondays, Tuesdays, Thursdays and Fridays 10 A.M. to 1 P.M. and 2-30 P.M. to 4 P.M.

On Wednesdays and Saturdays 10 A.M. to 1 P.M.

Before coming to a decision the Exchange Banks' Association asked for the views of the Chamber on the question.

The Committee, after consulting various leading Houses, informed the Association that they were definitely not in favour of any curtailment in the hours during which exchange might be transacted through a broker and that in some respects they would prefer an extension of the existing hours. It had, for instance, been represented to the Committee that with the large business in gold which was being done at the moment it was frequently necessary for houses to sell exchange late in the afternoon and that inconvenience had on occasion been experienced owing to the curtailment of hours on Wednesdays. But this was not the only instance quoted of the desirability of maintaining a period in the afternoon during which exchange business might be transacted through a

broker and the Committee were definitely of opinion that the change would not meet with general approval. The view had also been expressed that it was just in times of depression like the present that it was important that no business passing should be missed.

It was realised, however, that there was the Banks' point of view to be considered and that this was primarily a matter for the Banks to decide for themselves. If therefore in spite of the Chamber's opinion it should be decided that it was necessary, in the interests of the Banks, to curtail the hours in the manner proposed, the Committee trusted that in altering the rules it would be made clear that on afternoons other than Saturdays the Banks in Bombay would still be open for business through brokers having definite business to offer.

The Chamber was subsequently informed that in view of the opinion expressed the Exchange Banks had decided to make no alteration in the hours of business during which exchange might be transacted through a broker.

INDIAN ROUND TABLE CONFERENCE.

(*See Reports* 1928, *Vol. I, page* 21; 1929, *Vol. I, page* 72; 1930, *Vol. I, page* 46; 1931, *Vol. I, page* 88.)

The third session of the Indian Round Table Conference was held in London in November and December 1932. The European Community in India was represented by Sir Hubert Carr who was assisted by an Advisory Committee in London consisting of Sir Edgar Wood, Sir Alfred Watson, Mr. L. V. Heathcote, Mr. H. B. Holme, Mr. E. Villiers and Mr. C. P. Lawson.

THE FRANCHISE.

(*See Reports* 1930, *Vol. I, page* 46 ; 1931, *Vol. I, page* 88.)

In pursuance of a recommendation of the Indian Round Table Conference a Franchise Committee under the Chairmanship of the Marquis of Lothian was appointed by His Majesty's Government and toured India early in 1932.

The Reforms Officer, Bombay, in January 1932 forwarded to the Chamber a copy of a questionnaire issued by the Chairman of the Franchise Committee and asked for the views of the Chamber thereon.

The matter was referred to a Special Sub-Committee consisting of Messrs. R. R. Haddow, A. McIntosh and G. L. Winterbotham who discussed the question with a liaison Sub-Committee of the European Association (Bombay Branch) consisting of Mr. F. C. Annesley and Dr. C. V. Thornton.

The Committee accepted the report of the Special Sub-Committee and forwarded it to the Reforms Officer. The following is a summary of the Committee's replies to the various questions.

I. Provincial Legislatures.

1. *Extension of the Franchise.*

Questions (1) (*a*) *to* (*e*).—Having regard to the fact that the principle of a responsible Federal Government subject to certain reservations and safeguards has been accepted by His Majesty's Government and that the Governor's Provinces are to become responsibly governed units, enjoying the greatest possible measure of freedom from outside interference and dictation in carrying out their own policies in their own sphere, it is obviously necessary so to widen the electorates that the Legislatures to which responsibility is to be entrusted should be representative of the general mass of the population and that no

important section of the community may lack the means of expressing its needs and its opinion. The Franchise Sub-Committee of the Round Table Conference considered that adult suffrage was the goal which should ultimately be attained but the majority thought that it was not practicable to reach that goal immediately and recommended " the immediate increase of the electorate so as to enfranchise not less than 10 per cent. of the population, and indeed a larger number—but not more than 25 per cent. of the total population—if that should, on full investigation, be found practicable and desirable."

(*a*) What means can you suggest by which the existing franchise for the provincial legislature could be extended so as to include 10 per cent. of the population in the electoral roll ?

(*b*) Do you consider that such an electorate will be capable of casting an intelligent vote ?

(*c*) Do you consider that such an electorate would be administratively manageable having regard to the arrangements likely to be feasible for the preparation, maintenance and revision of the electoral rolls, and for the recording and counting of votes ?

(*d*) If answer to (*b*) and (*c*) is in the negative what alternative qualifications for the electorate would you propose ?

(*e*) If answer to (*b*) and (*c*) is in the affirmative, do you consider that it would be practicable and desirable, having regard to the same considerations, to enlarge the electoral roll still further and if so what means would you suggest for the purpose ?

Answer (1) (*a*) *to* (*e*).—The Committee felt that it was not possible to put forward any definite means by which the electorate could be increased so as to enfranchise not less than 10 per cent. of the population but this end might be attained if the franchise were extended to all persons paying direct taxes of any description to Government or to local bodies, the term direct taxes to include by definition rent, provided that the existing rent qualification was not reduced by more than one half. The present restrictions embodied in rule 10 of the Bombay Electoral Rules should continue to

apply. The idea underlying this suggestion was that everyone who paid direct taxes, whatever their form, and so had a stake in the country should be entitled to vote.

Question (1) (*f*) *and* (*g*).—It has been suggested that assuming adult suffrage to be impracticable at present, all adults not entitled to a direct vote should be grouped together in primary groups of about 20 or in some other suitable manner for the election of one or more representative members from each group, who would be entitled to vote in the provincial elections either in the same constituencies as the directly qualified voters or in separate constituencies to be framed for them. The suggestion has been discussed mainly with reference to rural villages but might be made applicable to towns also.

Do you consider that any such system would be feasible and advantageous in the areas with which you are acquainted, and, if so would you advise that the group electors should vote in the same constituencies as the directly qualified electors, or in separate constituencies composed of group electors only ?

(*g*) It has been proposed that in the event of separate constituencies being framed for group electors, only group electors should be qualified to stand as candidates for such constituencies.

Are you in favour of this course ?

Answer (1) (*f*) *and* (*g*).—On the assumption that the recommendations in answer to (*a*) to (*e*) were accepted, the suggestion contained in (*f*) of separate group electorates for unqualified voters was not favoured as it was considered that the suggested widening of the direct franchise went as far as was wise as a first step towards the goal of adult franchise which the Round Table Conference Sub-Committee had laid down.

Question (1) (*h*).—Do you consider it would be feasible and advantageous to abolish all existing qualifications for voters and to extend a system of the nature described in (*f*) to all adult voters confining the electorate for all constituencies to secondaries chosen by groups of primary voters ?

(*i*) In the event of your answer to (*f*) or (*h*) being in affirmative what do you consider would be a suitable size for the groups referred to above ?

On what basis would you constitute them and whom would you charge with the duty of framing them ?

(*j*) Would you require any special qualification whether property, educational or otherwise for persons chosen by the groups to vote on their behalf for election of members ? If so, what ?

Answer (1) (*h*), (*i*) *and* (*j*).—The Committee did not consider that it would be advantageous and they doubted whether it would be feasible to abolish all existing qualifications for voters and to extend a system of the nature described in question (1) (*f*) to all adult voters, confining the electorate for all constituencies to secondaries chosen by groups of primary voters.

2. *Franchise Qualifications.*

Question (2) (*a*).—Do you consider that in the areas with which you are acquainted, there is any marked disparity in the operation of the franchise qualifications in urban as compared with rural areas ? If so, what measures would you suggest in order to rectify such disparities ?

Answer (2) (*a*).—The Committee agreed with the Bombay Provincial Committee which was appointed to co-operate with the Indian Statutory Commission, that steps should be taken to widen the electorate so as to give the rural population larger representation and that the rural qualification should be halved. The Committee considered that the suggestions put forward in answer to Question (1) (*a*) to (*e*) would go a long way towards correcting the existing disparity.

Question (2) (*b*).—It has been suggested that each community should be given a voting strength proportionate to its numbers, and

that the franchise system should be so contrived as to secure this result, in so far as it may be practicable.

Are you in agreement with this suggestion, and if so, what measures would you suggest for giving effect to it in your province on the assumption (*a*) that separate electorates are retained, (*b*) of joint electorates with reservation of seats and (*c*) of joint electorates without reservation of seats ?

Answer (2) (*b*).—The Committee were not in favour of the suggestion that in communal electorates each community should be given a voting strength proportionate to its numbers as this would inevitably mean a different basis of qualification for each community.

The Committee were in favour of separate electorates.

Question (2) (*c*).—Is the possession of property of some kind in your opinion a suitable test of fitness for the franchise ? The term 'property' should be understood in its widest sense as including not only the ownership of landed property but also the occupation of land or house property or the receipt of income or wages whether in cash or kind. If so, do you consider the existing property qualifications suitable ? If you do not, what modification do you suggest ?

Answer (2) (*c*).—As stated in answer to Question (1) (*a*) to (*e*) the Committee were of opinion that the franchise should be extended to all persons paying direct taxes of any description to Government or to local bodies. This was in effect a widening of the existing property qualification and they considered that it was a more suitable qualification than any other at the present stage.

Question (2) (*d*).—Are you in favour of introducing a qualification based on education independently of property and if so, what educational qualification would you suggest ?

Answer (2) (*d*).—The Committee were not in favour of the introduction of any form of educational qualification in a general constituency.

Question (2) (*e*).—Are you in favour of retaining the existing military service qualification and extending it so as to include service in the Auxiliary and Territorial Forces ?

Answer (2) (*e*).—The Committee were in favour of retaining the existing military service qualification and agreed to its extension so as to include service in the Auxiliary and Territorial Forces provided the qualification applied to those who had been borne on the strength for a reasonable period, say, two years.

3. *Women's Suffrage.*

Question (3) (*a*) *and* (*b*).—(*a*) At present women are admitted to the suffrage on the same terms as men, but as the existing qualifications are mainly based on property and the payment of taxes, the number of women on the provincial electoral rolls is only a little over a quarter of a million as compared with 6½ million men. The Statutory Commission proposed that the wives and widows (if over 25 years of age) of men entitled to vote under the property qualification, should be enfranchised, and that in addition an educational qualification should apply to women over 21 as well as to men. In the Franchise Sub-Committee of the Round Table Conference it was suggested that the age limit should be 21 for women as well as for men. Are you in favour of increasing the women's electorate in the ways suggested or would you prefer any other method ; if so, what method : To what extent would you favour an increase in the women's electorate ?

(*b*) In the event of a system of group representation being established as proposed in paragraph 1 (*f*) do you consider that women should be formed into groups, and if so, should separate groups be formed for women or should groups contain both men and women ?

Answer (3) (*a*) and (*b*).—On this point the Committee were in general agreement with the opinion of the Government of India in their Despatch on Constitutional Reform of 20th September 1930, pages 24 and 25. They were definitely not in favour of the suggested special qualifications for women

but they agreed that any extension of the existing franchise or any new qualification applicable to men should equally apply to women. The Committee did not consider it equitable or logical to grant women an extension of the franchise by applying to them the group system which they did not recommend for men.

Question (3) (*c*).—The suggestion has been made that at any rate as a temporary measure legislatures should co-opt women members to an extent not exceeding 5 per cent. by a system of proportional representation so as to ensure some representation of women in the legislatures. What are your views on this suggestion ?

Answer (3) (*c*).—The Committee were in favour of this suggestion as they felt it would ensure women being on the Councils to help on the progress of the women's movement.

Question 4.—It is evident from the discussions which have occurred in various connections in the Round Table Conference that it is generally felt that provision should be made in the new Constitution for better representation of the Depressed Classes, and that the method of representation by nomination is no longer regarded as appropriate.

What communities would you include as belonging to Depressed Classes ? Would you include classes other than untouchable and if so, which ?

Do you consider that the Depressed Classes are likely, through such general extension of the franchise as you favour to secure representatives of their own choice in the general electorates, and, if so, to what extent ? If your answer is in the negative, what specific proposals would you make to secure their representation in Legislatures ?

The possible application of the group system of representation to the Depressed Classes should be specially considered.

Answer 4.—The Committee were of opinion that the only communities that should be included as belonging to the

Depressed Classes were those classified as "Untouchables" in the "Report of the Depressed Classes and Aboriginal Tribes Committee, Bombay Presidency, March 1930."

The Committee thought that the extension of the franchise which they favoured would substantially increase the number of qualified voters in the Depressed Classes, but not to such an extent as would enable them to secure representatives of their own choice in the general electorates.

A number of the Committee considered that at this stage there was no practical alternative to representation by nomination which should therefore be continued. The minority, however, were opposed to this as they felt that it was not a solution of the difficulty which was likely to be acceptable to the Depressed Classes or to any other section of opinion but they were unable to offer any practical alternative, unless the application of the group system should prove feasible, which they doubted.

Question 5.—Assuming that such widening of the basis of suffrage in general constituencies as is found practicable does not provide adequate representation of labour what special measures would you recommend for representation of labour (*a*) where it is or can be organised as in industrial areas, (*b*) where it is unorganised as in case of agricultural and plantation labour? On what basis would you allot representation to labour in each case?

Answer 5.—The Committee were of opinion that by a wide extension of the direct franchise such as they had advocated a sufficient number of labourers should become enfranchised to give them a proportion of votes in the general constituencies adequate to secure for themselves the election of their own representatives. If, however, it could be shown that the desired result would not thus be obtained it was

felt that separate representation should be provided for labour.

Question 5 (*a*).—What are your views as to the retention of representation of special interests (universities, commerce, European and Indian, mining, planting, labour, landholders, etc.) in the legislatures. If you favour its retention, do you consider that the existing methods thereto are satisfactory? If not, what suggestions would you make?

Answer 5 (*a*).—The Committee were of opinion that all special interests at present represented whether by election or nomination should continue to be represented in the new legislature. They pointed out, however, that it would be necessary to amend the Electoral Rules so as to overcome the difficulties that had been experienced in the case of the Bombay Chamber of Commerce at practically every election and by-election since the present electoral rules came into force.

II. The Federal Legislature.

Question 6 (*a*), (*b*) *and* (*c*).—(*a*) The Federal Structure Committee proposed that the representatives of British Indian Provinces in the Upper Chamber should be elected by the Provincial Legislatures by a single transferable vote. Do you agree with this proposal or have you any alternative to suggest?

(*b*) Do you consider that the franchise qualifications ought to be different for the Federal and Provincial Legislatures? If so, what do you consider it ought to be in the case of the Federal Legislature?

(*c*) The majority of members of the Federal Structure Committee considered that election to the Lower Chamber of the Federal Legislature should be by territorial constituences consisting of qualified voters who would cast their vote directly for the candidates of their choice. Under a scheme of this nature there would be more than a

million inhabitants on an average in each constituency. The constituency would in some cases be of enormous size especially if communal electorates were introduced. In view of the obvious difficulties which must confront a candidate in canvassing and maintaining contact with such large constituency the Committee recommended that alternatives of direct and indirect elections should be fully explored and suggested that while it might be possible without difficulty to adopt direct election in certain areas some form of indirect election might prove desirable in rural areas.

The Franchise Committee would be glad to have your views on this difficult question. In the event of your favouring some system of direct election it would be very useful if you would indicate the nature of the constituency that you would form having regard to the number of seats which you consider ought to be allotted to your Province.

Answer 6 (*a*), (*b*) *and* (*c*).—The Committee were not in favour of the proposals of the Federal Structure Committee that the Upper Chamber of the Federal Legislature should be elected by the Provincial Legislatures and the Lower Chamber by the direct votes of territorial constituencies. They confirmed the opinion expressed by the Committee of the Chamber in their Memorandum on the recommendations of the Indian Statutory Commission that election to the Federal Lower Chamber should be by the Provincial Councils by a single transferable vote this being, they understood, the surest way of giving to the various interests and communities the same proportion of representatives in the Central Legislature as they would have in the Provincial Councils.

If this view did not prevail and the eventual decision was that election to the Lower House should be by direct voting the Committee were strongly of opinion that the franchise qualifications for the Lower House of the Federal Legislature and for the Provincial Legislatures ought not to be the same.

They would not be in favour of widening the franchise to anything like the same extent as for Provincial Councils.

In the case of the Upper House of the Federal Legislature the Committee were of opinion that the representatives should be elected by direct election in the same manner and with the same franchise as is at present in force.

Question 7.—Please add any further suggestions which you desire to make regarding the representation of women, labour and the Depressed Classes and other interests at present specially represented in the Federal Legislature.

Answer 7.—The Committee considered that those special interests, which were likely to be represented in such small numbers on the Provincial Council that they would be unable to secure representation in the Lower House of the Federal Assembly by the method of election which the Committee had advocated above, should have one seat each reserved for them out of the total number of seats allotted to the Presidency. The special representation of Commerce was a case in point. The representatives of the Commerce and Industries Constituencies would not be in sufficient number to ensure the return of even one representative to the Federal Assembly whereas it was absolutely vital to the interest of the Bombay Presidency that at least one representative each for Indian and European Commerce should find a place in that body.

The Associated Chambers of Commerce of India and Ceylon also forwarded the Chamber a copy of the questionnaire issued by the Franchise Committee and stated that, subject to the approval of the constituent Chambers, the President proposed to reply to the Franchise Committee that the questionnaire in general would be dealt with by the individual

Chambers, whose views would be expressed either through their respective local Governments or direct to the Franchise Committee. It was suggested that one exception should be made, particularly in view of the terms of the added question No. 5(*a*), which read as follows :—

What are your views as to the retention of representation of special interests (universities, commerce, European and Indian, mining, planting, labour, landholders, etc.), in the legislatures ? If you favour its retention, do you consider that the existing methods of election thereto are satisfactory ? If not, what suggestions would you make ?

The Associated Chambers asked for an expression of the Chamber's opinion on the points that arose, which were summarised as follows :—

(*a*) Should the President submit a representation to the Franchise Committee pressing for the statutory recognition of the right of the Associated Chambers to direct representation in the Central Legislature?

(*b*) If the answer to (*a*) was in the affirmative, what representation was suggested as reasonable in (*i*) the Upper Chamber and (*ii*) the Lower Chamber respectively ?

(*c*) In view of the shortness of time available was the Chamber prepared to give discretion to the President on receipt of the replies from the Chambers, to submit a reply to the Franchise Committee without further reference to the constituent Chambers ?

The Committee after considering the matter in consultation with the Special Sub-Committee informed the Associated Chambers that they could not consistently with their views already put forward to the Bombay Franchise Committee advocate that the Associated Chambers should press for direct representation in the Federal Legislature as they were in favour of the Lower House being elected by the Provincial Councils, and the Upper Chamber by election in the same manner and with the same franchise as was in force at the moment.

The Committee added, however, that if this view should not prevail and if election to the Lower House should be by direct election they would be very much in favour of the Associated Chambers being given at least two seats in that House where, in their view, it was more important for commercial interests to be represented than in the Upper House in view of the fact that it was the Lower House which dealt with taxation and matters vitally affecting trade. The Committee considered that representation in the Upper House should also be pressed for at least two seats, unless the Chambers continued to be represented, as at present, *i.e.*, by direct election from the Bengal and Bombay Chambers.

The Committee in conclusion stated that in view of the shortness of time available they were prepared to give discretion to the President to submit a reply to the Franchise Committee without further reference to the constituent Chambers.

Mr. G. L. Winterbotham, M. L. C., appeared and gave oral evidence on behalf of the Chamber together with Messrs. C. P. Bramble, J. D. Boyle and R. C. Thomas representing the Bombay Branch of the European Association before a joint session of the Indian Franchise Committee and the Bombay Provincial Franchise Committee on Friday, 12th March 1932.

The Report of the Franchise Committee was laid before Parliament on the 2nd June 1932, and the Committee of the Chamber appointed the President, the Vice-President, and Mr. A. McIntosh, to discuss the Report with a liaison Sub-Committee of the European Association (Bombay Branch) consisting of Messrs. J. R. Abercrombie, C. P. Bramble and R. C. Thomas. Several meetings were held and the following report was submitted by the Chamber's representatives and

after approval by the Committee copies were forwarded to the Reforms Officer, Bombay, for his information.

We think that the Franchise Committee are heartily to be congratulated on their success in achieving approximate unanimity on the major issues of a vast and complex problem. We may not be, and in fact are not, in entire agreement with all their conclusions but it has to be borne in mind that the Committee were not free to deal with the problem entirely as they found it. They were confined by their terms of reference to putting forward a scheme which conformed to (*a*) the principles laid down in the Prime Minister's letter, (*b*) the findings of the Franchise Sub-Committee of the Round Table Conference, and they had also to frame a scheme suitable for the system of responsible Government defined in the Prime Minister's statement of 6th December. In these circumstances it would be a matter for surprise if the whole report was completely acceptable to all shades of opinion, but the very fact that so large a measure of agreement has been reached will result in the Report carrying great weight both with His Majesty's Government and in India generally. We desire, therefore, to make it plain that in indicating the points of difference between the Chamber and the Franchise Committee we recognise that there is little likelihood that any action by the Chamber will result in any of the findings of the Committee being reversed and, except in support of steps already initiated by the Associated Chamber of Commerce, we do not think that any action is called for by the Chamber beyond the furnishing of their views to the Local Government for information and record. And the fact that we differ from the Committee on certain of their findings should not be allowed to fog the main conclusion which is that we are in substantial agreement with the Committee's main proposals which seem to us likely to produce legislatures which will be properly representative of the general mass of the population and in which no important section of the community will lack the means of expressing its needs and opinions.

(*a*) p. 7, para 12.
(*b*) p. 7, para 13.
p. 8, para 14.
p. 9, para 15.

It has to be noted that the Report is necessarily incomplete in so far as several of its recommendations will require reconsideration in the light of the communal settlement when made.

GENERAL FRANCHISE.—We are in entire agreement with the Franchise Committee in their proposals for extending the direct franchise in preference to any other system and it is in accordance with the Chamber's expressed views that the property qualification should be retained and lowered as the main method of achieving this. We are frankly doubtful of the wisdom of introducing an educational qualification and nothing contained in the Report leads us to modify our previously expressed view in answering the Franchise Committee's questionnaire that an educational qualification is not suitable. The qualification suggested is so low as to mean almost nothing as a test of intelligence and fitness for the vote.

Chap. V, p. 29, paras. 68 and 69.

WOMEN'S FRANCHISE.—The special qualifications recommended for women in order to bring a sufficient number of women on to the electoral rolls are the other main points of difference between the Chamber and the Franchise Committee. Here again nothing that the Report says leads us to reverse our previous view that no special qualification should be introduced for women. It is to be noted that none of the women's organisation in India favour special qualifications.

Chap. VIII, p. 78, para. 215.

We are in full agreement with the proposals for the reservation of a certain number of women's seats to be filled by whichever of the methods discussed is likely to be found on further examination to be the most suitable.

Para. 220.

LABOUR REPRESENTATION.—We think that the suggested number of 8 seats for Labour representatives in the Bombay Council errs on the side of generosity but we do not think that the point is of sufficient importance to warrant definite attack.

Chap. IX, p. 92, paras. 258 and 259.

The suggested methods of filling these seats, *i.e.*, by elections by Registered Trade Unions and, where Trade Unions do not exist, by special Labour Constituencies seem to us sound. Our only comment on the special labour constituencies would be that the electoral roll

for them might quite easily be out of date a very short time after an election, seeing that the qualification suggested for electors is continuous employment for six months immediately prior to preparation or revision of the roll. Nevertheless we regard it as important that labour should be adequately represented in the Councils and that the seats for them should be filled by the votes of workers and the scheme proposed is probably as good as any that can be devised to meet the special circumstances.

DEPRESSED CLASSES FRANCHISE.—We support the proposal to enfranchise 10 per cent. of the depressed classes by whichever of the suggested means may be found to be most suitable in each province. And in this case we do not object to the literacy qualification suggested as one of the qualifications. Our reasons for objecting to such a qualification for general application do not apply to this particular instance.

Chap. X, p. 108, para. 315.

REPRESENTATION OF SPECIAL INTERESTS.—The Committee's findings on the continued representation of Commerce and Industry are only partially satisfactory. Our claim was that representation should not only be continued but increased proportionately with the size of the enlarged Councils. The latter claim has not been conceded. This decision has an important bearing on the number of seats to be allotted to Europeans in the General Constituencies and is being dealt with on all India lines by the Associated Chambers of Commerce and the European Association. No elaboration of the point is therefore needed here.

Chap. XI, p. 127, paras. 324 and 326.

We are glad to note that consideration is to be given to the suggestion favoured by this Chamber for overcoming the difficulties experienced by Chambers of Commerce under the present system.

Para. 325.

We agree with the proposals regarding the representation of Landlords and Universities.

MILITARY SERVICE QUALIFICATION.—It is to us a matter for regret that it has not been found practicable to extend the Military service qualification for the franchise to members of the Auxiliary and Territorial Forces, but the reasons against it are weighty and can hardly be refuted.

Chap. XIII, p. 139, para. 351.

EFFECT OF PROVINCIAL FRANCHISE PROPOSALS IN BOMBAY PRESIDENCY.—This is given in para. 118 of the Report. We quarrel with none of the findings except (1) the educational qualification, (2) the special qualifications for women. It will be seen that (*a*) under these two categories it is estimated that 8,50,000 persons will be enfranchised out of a total enfranchised population of 37,26,627, (*b*) that the total proposed is considerably larger than is considered by the Local Government to be administratively feasible, (*c*) that in the Bombay Presidency the percentage of voters proposed is larger than in any other Presidency or Province. We consider that (*c*) is only objectionable in so far as it is governed by (*b*). It is only natural that the most advanced Presidency should lead the way but in our opinion it is dangerous to ignore the considered opinion of the Local Government in the matter of administrative feasibility and it is almost precisely by the numbers under (*a*) that the Local Government's own proposals, which we admit, are faulty in some particulars, are exceeded.

Chap. VII, pp. 52 and 53, para. 118.

SIZE OF PROVINCIAL LEGISLATURES—SECOND CHAMBERS.—We consider that the proposal of a Legislature consisting of 200 seats for Bombay should be an *outside* figure on a *unicameral* basis and inclusive of Sind; on a bi-cameral basis or in the event of the separation of Sind the number should be correspondingly reduced.

Chap. XIV, p. 141, para. 360, &c.

The Franchise Committee content themselves with stating the case for and against second Chambers in the Provinces. We take this opportunity of restating the considered view of the Chamber that a small Second Chamber in Bombay is a *sine qua non* of Provincial Autonomy.

Chap. XVI, p. 149, paras. 383, 384 and 385.

FEDERAL LEGISLATURES.—The recommendation of the Franchise Committee is that election to the Lower House of the Federal Legislature should be by direct voting, and that the Upper House should be elected by the members of the Provincial Legislatures. The Chamber's view was the exact contrary of this and we remain quite unshaken in our opinion that a system of indirect election to the Lower House by Provincial Councils would be much better suited to Indian conditions generally. We realize, however, that there is little support for this view in any quarter and we do not think that it would be wise to press for a revision of the Committee's findings in this matter in view of the fact that Indian public opinion is against us.

Chaps. XIX and XX.

We believe that the Council of the European Association are interesting themselves in this matter and the views of this Sub-Committee have been indicated to them as it was represented to us that time was pressing.

The Federal Structure Sub-Committee of the Round Table Conference provisionally allotted to Bombay 26 seats out of a total of 200 for British India in the Federal Assembly. This is an allotment of seats to Bombay which has received the approval of the Chamber and the European Association, who consider that it gives sufficient weightage to Bombay for its commercial importance but is not acceptable to public opinion generally in this Presidency.

Para. 397.

It has to be noted that the Franchise Committee find that no case has been made out for increasing the suggested allotment of seats to any particular province but they recommend that the number of seats in the Federal Assembly for British India should be increased to 300. We are strongly opposed to this. We consider that the disadvantages of making the Assembly an unwieldy body, as with the addition of the Native States representatives it would become if the Franchise Committee's proposal were accepted, far outweigh the considerations which have guided the Committee in making this proposal.

Para. 398.

Para. 405.

Para. 406. We agree with the proposals for the franchise for the Assembly which seem to us sound.

Para. 421. SPECIAL REPRESENTATION IN THE ASSEMBLY.—We agree with all the Committee's findings under this head.

The same question of commercial representation here arises as in the Provincial Council and this, as has already been stated, is being dealt with by the All-India bodies concerned. We should, however, like to record our opinion that so far as they go the recommendations as regards commercial representation are eminently sound. It is absolutely right that commercial representatives should sit in the Lower in preference to the Upper House.

In July 1932 the Reforms Officer, Bombay, asked for the views of the Chamber on the suggestion contained in paragraph 323 of the report of the Indian Franchise Committee that the desirability of some re-arrangement and redistribution of the Commerce and Industry constituencies of the Bombay Legislative Council should be examined at the stage of the delimitation of constituencies. The Committee replied that they agreed with the view expressed by the Franchise Committee that the commercial and industrial organisations now recognised for the purpose of representation in the Legislatures were fully capable of representing the interests of industry and commerce as such.

In regard to the various possible methods of effecting a re-arrangement and redistribution of existing constituencies, the Committee did not believe that there was any particular trade or industry, a representation of which was necessary for the more effective representation of commerce or industry. The Committee considered it essential to retain the existing constituencies at present allocated to commercial associations. The provision of increased representation for any association

at present represented could not be contemplated without increasing the representation of all associations, and the Committee considered it preferable that the basis recommended by the Indian Franchise Committee should be adopted. In regard to the suggestion that two or more associations might be combined for the purpose of representing their quota of representatives to the Council, the Committee were confident that as far as European commercial associations were concerned such combination was not desired and would be strongly resisted in view of their divergent interests. The question of combining Indian and European business organisations for electoral purposes was, the Committee considered, adequately dealt with in paragraph 326 of the Franchise Committee's report and they were in full agreement with the view there expressed.

The Reforms Officer also invited reference to paragraph 324 of the report wherein it was stated that it had been pointed out that in some cases the rules of certain associations which were recognised for the purpose of electing members to the Legislatures might be so applied as seriously to affect their representative character. The Reforms Officer inquired whether in the opinion of the Committee any changes were required in the electoral rules governing the Chamber with a view to removing that defect if it existed. The Committee replied that they did not believe that the electoral rules governing the Chamber could be so applied as to affect its representative character. They added that although the Bombay Electoral Rules were satisfactory from that point of view, they contained a serious defect from the point of view of the Chamber, to which attention was drawn in paragraph 325 of the report of the Franchise Committee. The Committee trusted that the fact that no mention was made

of this point in the letter from the Reforms Officer did not indicate that it was not receiving the consideration which the Franchise Committee thought it deserved. The point was dealt with in November 1932 when the Reforms Officer asked for the views of the Committee on a draft of certain amendments which were proposed to be made in the Bombay Electoral Rules and Regulations to give effect to the suggestion that in the case of the Commerce and Industry constituencies the name of the firm should appear on the electoral roll and that the firm should depute some one to act on its behalf in an electoral capacity. The Committee informed the Reforms Officer that they considered that the draft amendments met the case.

THE NEW CONSTITUTION.

Commercial Safeguards.

(*See Reports* 1929, *Vol. I, page* 74; 1930, *Vol. I, page* 57; 1931, *Vol. I, page* 93.)

After prolonged and detailed consideration of the question of commercial safeguards in the new Constitution the Associated Chambers of Commerce of India in September 1932 addressed the Secretary of State for India on the question. The Association stated that it was recognised by the British mercantile community in India that in existing circumstances a negotiated convention was not practicable; and that the community must accordingly accept a clause in the new Act prohibiting discrimination against them. The Association explained that in the matter of bounties or subsidies for the encouragement of local industries the community accepted the conditions prescribed by the External Capital Committee with one modification; and that it would be necessary that

the condition attaching to bounties should be definitely prescribed in the statute and that, so far as these related to companies, existing companies must be excepted. Further, it was explained that the community pressed strongly for compulsory reservation of discriminatory legislation. In short, to use the words of Lord Reading in the Federal Structure Committee of the last Round Table Conference, the attitude of the community was that " in trade, commerce and industry no distinction shall be made, either in legislation or in administration, between Indian and British subjects or between Indian and British corporate bodies."

THE NEW CONSTITUTION.

Federal Finance.

A Sub-Committee of the Federal Structure Committee of the Round Table Conference was appointed under the chairmanship of Lord Peel to examine the question of Federal Finance. The report of this Sub-Committee was referred by His Majesty's Government to a Committee (later known as the Federal Finance Committee) under the chairmanship of Lord Eustace Percy for the purpose *inter alia* of estimating the probable financial position of the Federal and Provincial Government under the proposed scheme for the classification of revenues, and on the estimates so prepared to advise as to the adjustments, if any, which should equitably be made between the Federal Government and the Provinces.

The Report of the Federal Finance Committee was submitted to the Secretary of State for India in March 1932 and published in May 1932. The Committee of the Chamber referred the Report for consideration to a Special Sub-Committee consisting of Mr. R. R. Haddow, Mr. G. L.

Winterbotham, Sir Hugh Cocke, Mr. J. R. Abercrombie and Mr. J. C. Pender. On the recommendation of the Sub-Committee the following cable was despatched on the 27th June 1932 to the Secretary of State for India :—

As His Majesty's Government may shortly be taking decisions on Federal Finance Committee's report Bombay Chamber of Commerce desires submit views thereon direct. Chamber considers Provincial forecast of sixty-five lakhs for Bombay's deficit unduly optimistic. Chamber considers aim should be to reduce Provincial contributions to minimum from outset and suggests therefore that tax on undistributed profits of companies and incomes of non-residents should be credited Federal revenues which should be further reinforced by earliest possible introduction succession duties throughout British India. So long Provincial contributions necessary Chamber urges they should be based half on population half on total revenues in accordance principles laid down in paragraph sixteen Peel Committee's report instead of proposals Percy Committee which would deprive some Provinces bulk of additional and expanding revenues without which provincial autonomy doomed failure. Chamber recommends early introduction excise on matches and distribution to provinces of income-tax receipts to extent equal to Central Governments net additional revenue.

The cable was followed up by a despatch to the Government of India, Finance Department, copies being sent to the Secretary of State and to the Government of Bombay, Finance Department. The text of the despatch, a copy of which was brought to the notice of members by means of the Monthly "Excerpts" will be found in the Appendices.

INDIAN STATES ENQUIRY COMMITTEE (FINANCIAL).

After the Round Table Conference in 1931 His Majesty's Government appointed a Committee, afterwards known as the Indian States Enquiry Committee (Financial) under the

Chairmanship of the Right Hon'ble J. C. C. Davidson, C.H., C.B., M.P., for the purpose of exploring more fully the specific financial problems arising in connection with certain individual States in the light of recommendations in the Third Report of the Federal Structure Committee.

The report of the Enquiry Committee was presented to Parliament in July 1932. It was considered by a Special Sub-Committee of the Chamber consisting of Sir Hugh Cocke, Mr. G. L. Winterbotham and Mr. G. C. Phillips and subsequently a letter was addressed to Sir Hubert Carr, a member of the Round Table Conference, in which the Committee stated that they did not regard it as the function of any individual Chamber to deal with matters which were primarily the concern of the Indian States and the Paramount Power and they had therefore made no attempt to deal with the Report as a whole, but the chapter in the report on Sea Customs and Ports raised issues which as far as the Kathiawar Ports were concerned, seriously affected both the trade of Bombay and the revenues of the Government of India, and the Committee invited Sir Hubert Carr's attention to certain aspects of the question for such action as he considered might usefully be taken during the progress of the Round Table Conference.

The Committee stated that in paragraphs 242, 243 and 244 of the report the conflict of interest between the States, the Government of India and the major ports of British India was set forth in an admirably lucid manner. In their conclusions the Indian States Enquiry Committee expressed the opinion that the ideal of true Federation was difficult to reconcile with the retention by any Federal unit of Customs duties collected at its ports, but they recognised that no maritime State was likely to relinquish this right. In

order that no maritime State might be thereby prevented from entering Federation they recommended for consideration a compromise arrangement under which States would be enabled to retain the duties on goods imported through their own ports for consumption by their own subjects. They recognised that no such arrangement could be made, except with the consent of the State concerned, when its effect would be to curtail treaty rights. After their pointed exposition of a situation which was already serious and which, owing to the fiscal policy of the Government of India, was bound to become more serious in course of time, the conclusions arrived at by the Committee appeared completely jejune, and their recommendations would in the opinion of the Committee of the Chamber do nothing to relieve the situation.

The Committee pointed out that the position was particularly acute as regards the port of Bhavnagar which in virtue of certain treaty rights was enabled to retain the whole of the customs duties levied on goods entering the port whether they remained in the State or passed over the border into British India. The figures quoted in the report (Para. 319) showed that in the five years 1926-27 to 1930-31 the customs duties on imports into Bhavnagar had increased from Rs. 9.18 lakhs to Rs. 51.05 lakhs. The position had since been aggravated by the imposition of an import duty on raw cotton and the Chamber had twice this year drawn the attention of the Government of India to the serious diversion of imports of raw cotton from Bombay to Bhavnagar owing to the exceptional facilities offered by that State to importers, such as free storage for prolonged periods, low rates of interest on advances against cotton, free insurance and very low railway freight. In order that the revenues

of the Government of India might not suffer by the abolition of the duty on raw cotton the Chamber sugested the substitution therefor of a consumption tax of the same amount on all imported cotton used by mills in British India and in Indian States, but though it was welcomed as a reasonable solution, effect had not been given to this suggestion.

Another aspect of the same question was the harm done to indigenous industries by the artificial stimulation of foreign imports owing to the policy of port development pursued by the Kathiawar States. The Bengal Chamber had occasion in July 1932 to represent to the Government of India that, owing to the facilities in the way of free clearance and free warehousing offered to importers at Bhavnagar, goods manufactured on the Calcutta side which formerly went by rail to Ahmedabad, Rajputana and Central India were no longer able to compete in those markets with foreign goods imported by sea *via* Bhavnagar. It was also pointed out that this development was having an adverse effect on railway revenues since goods manufactured in the Calcutta area and sent to the districts mentioned used to go by rail. It was understood that paint was among the indigenous industries then referred to, but a more marked and important case was that of cement which the Committee knew was being imported at the expense of the Indian Industry.

The Committee were not in a position to point to a remedy to the situation which had arisen but they thought it necessary to call attention to its inherent dangers to the revenues of the Government of India in general and the port of Bombay in particular. They pointed out moreover that Bhavnagar was an artificial and not a natural port which was being developed at considerable expense on uneconomical lines.

The Committee endorsed the view of the States Enquiry Committee that it was not possible to reconcile the ideal of true federation with the retention by any Federal unit of customs duties collected at its ports and considered that the only real solution of the problem lay in getting the Rulers of the States concerned to accept this principle. But if this was found impracticable they favoured the "buying out" of Bhavnagar on the best terms possible as being absolutely essential.

STAMP DUTIES.

Reservation for Central or Federal Legislation under the New Constitution.

The views of the Chamber were requested in July 1932 by the Associated Chambers of Commerce of India and Ceylon in connection with a letter which had been received by the Bengal Chamber from the Government of Bengal, Finance Department, on the question of the reservation for central or federal legislation of the subject of stamp duties on certain classes of instruments. The Chamber also received a copy of a letter from the Finance Department of the Government of India through the Government of Bombay on the same subject.

After consulting the Finance Sub-Committee of the Chamber, the Committee in replying to the Associated Chambers mentioned that the question of the reservation for central or federal legislation of the subject of stamp duties on certain classes of instruments was referred to in paragraph 30 of the report of the Federal Finance Committee. The

following is an extract from the Chamber's comments on that portion of the report.

"In the light of the considerations set forth in paragraphs 28, 29 and 30 my Committee agree that stamp duties should be classed as provincial sources of revenue, but they think that provision should be made in the constitution for the standardisation of rates throughout India, and that for that purpose the power to legislate in regard to stamp duties should be retained by the Federal Government."

The questions on which the Government of India requested the views of the Chamber were :—

1. Should a list of stamp duties reserved for central legislation be maintained in the new Constitution ?

2. If the answer to (1) is in the affirmative, should any additions be made to the existing list ?

3. If the answer to (1) is in the negative, should an exception be made in the case of cheques ?

4. If the answer to (1) is in the negative and to (3) is in the affirmative, how should the central control over the duty on cheques be exercised, *i.e.* by reserving legislation itself or by reserving to the Central Government a mere power of veto ?

The Committee's replies to the above questions were as follows :—

"1. In the interests of uniformity a list of stamp duties reserved for central legislation should be maintained in the new Constitution.

2. The only addition to the existing list which the Committee had to suggest were powers of attorney and agreements which came under No. 5 (*c*) of Schedule I of the Indian Stamp Act.

3. and 4 did not really arise, but in this connection the Committee expressed the opinion that a low stamp duty

on cheques would not discourage the banking habit and at the same time would provide the industrial provinces with much needed revenue. They suggested that a stamp duty of half an anna might be levied on cheques.'"

A copy of the Committee's letter to the Associated Chambers was forwarded to the Government of Bombay.

INCOME-TAX.

Allocation to Provincial Governments.

Early in March 1932 the Committee drew the attention of the Government of Bombay to Government of India Notification No. F. 46-2-31 of the 12th November 1931 under which local Governments were debarred from obtaining a share of the increased income-tax revenue due to the lowering of the minimum taxable limit of incomes from Rs. 2,000 to Rs. 1,000 per annum.

The Committee pointed out that each province in India was entitled under the Devolution Rules to receive from the Central Government an amount calculated at the rate of three pies in each rupee of the amount of assessed income of any year in excess of that of the year 1920-21. Beyond two small amounts received in the years 1921-22 and 1922-23 the Government of Bombay had not been in a position to obtain any such share as apparently the assessed income in any of the subsequent years had not exceeded that of the year 1920-21.

The Committee had no figures on which to base their calculations, but it appeared to them that had it not been for the amendment of the Rules Bombay would have been in a position to have a share, albeit a small one, in the increased income-tax revenue due to the lowering of the minimum

taxable limit of income from Rs. 2,000 to Rs. 1,000 per annum.

In view of the existing state of the finances of the Bombay Presidency the Committee urged that the Government of Bombay, if they had not already done so, should approach the Government of India, with a view to the rescinding of the Notification No. F. 46-2-31 in order that the Bombay Presidency might obtain its due share of the increased income-tax revenue. In this connection the Committee referred to the comments of the Indian Taxation Enquiry Committee on the question of the division of the income-tax between the Central and Provincial Governments (see paragraphs 528 to 539 of their report).

The Government of Bombay in reply informed the Committee that they did not consider it necessary to approach the Government of India on the point raised by the Committee as, from information in their possession, they found that the Committee were not correct in their presumption that had it not been for the amendment of the Rules Bombay would have been in a position to have a share, albeit a small one, in the increased income tax revenue due to the lowering of the minimum taxable limit of income from Rs. 2,000 to Rs. 1,000 per annum. Government, however, thanked the Committee for drawing attention to this subject and stated that the situation regarding it would be carefully watched.

INCOME-TAX.

Double Depreciation Allowance on Machinery running Day and Night.

(*See Report* 1931, *Vol. I, page* 46.)

The Associated Chambers of Commerce of India and Ceylon, as will be observed from the Chamber's report for

1931, forwarded for the views of the constituent Chambers a letter from the Indian Engineering Association who expressed the opinion that a machine which ran continuously would last only half of the time than a machine running only for twelve hours a day would last. The Central Board of Revenue contended that machinery which ran twenty-four hours per day would last as long as machinery which ran for half that time.

The Committee in addressing the Associated Chambers said they felt that the opportunity should not be lost of refuting by means of expert opinion the contention of the Central Board of Revenue.

The Associated Chambers in again addressing the Central Board of Revenue in this matter put forward the opinion expressed by the Indian Engineering Association and requested the Board to reconsider the question and to examine afresh the suggestion that double depreciation should be allowed on machinery employed in factories where such machinery had been running day and night over an extended period; or alternatively that the depreciation allowed in such cases should bear a closer relation to the work that the machinery actually did.

The Committee learnt subsequently that the Government of India were not prepared to reconsider their previous decision.

INCOME-TAX.

Double Depreciation Allowance on Motor Cars used Day and Night.

(*See Report* 1931, *Vol. I, page* 50.)

It was mentioned in the Chamber's Report for 1931 that the Associated Chambers of Commerce of India and

Ceylon had asked for the views of this Chamber in regard to a proposal of the Northern India Chamber that depreciation allowance at double rates might be authorised in the case of motor cars used for work in oil fields on the ground that they were worked day and night.

The President of the Associated Chambers after receiving the views of constituent Chambers informed the Northern India Chamber that a number of the Chambers did not favour the suggestion that the question should be taken up by the Association with the Central Board of Revenue. The opinion was expressed that any concession in this case might lead to unreasonable claims in other respects that it would be difficult to resist and that in practice it would be a matter of great difficulty to decide precisely where the line should be drawn. Further it had been suggested that objection could be raised to the granting of the suggested double depreciation allowance on the ground that it would be extremely difficult, if not impracticable, for an assessee to prove, or for an income-tax officer to disprove, that any particular vehicle had been constantly running day and night for a year. Further the President stated that possibly if the company could establish that its lorries were actually scrapped before depreciation of their full value had been allowed for income-tax purposes, difficulty might not be experienced in obtaining exemption of tax on the balance remaining when they were scrapped.

INDIAN INCOME-TAX (SECOND AMENDMENT) BILL, 1931.

(*See Report* 1931, *Vol. I, page* 51.)

It was mentioned in the Chamber's Report for 1931 that the Committee had generally approved of the objects of the

Indian Income-Tax (Second Amendment) Bill, 1931, by which it was intended to amend the law, following the lines of the law in force in the United Kingdom, so as to make residence the main basis of liability while still retaining origin and remittance into British India as basis of liability in certain circumstances.

The Bill was opposed in the Legislative Assembly and a motion to refer it to a Select Committee was defeated.

INDIAN INCOME-TAX (AMENDMENT) BILL, 1932.

Foreign Incomes.

A Bill was introduced in the Legislative Assembly on the 5th September 1932 for the purpose of amending further the Indian Income-tax Act, 1922. In the statement of objects and reasons attached to the Bill it was mentioned that under section 4 (2) of the Indian Income-Tax Act, 1922 (XI of 1922), income derived from sources abroad by a resident in British India was liable to income-tax in British India only if (*a*) it was derived from business, and (*b*) it was received in or brought into British India within three years from the end of the year within which it accrued, arose or was received abroad.

There seemed to be no logical ground for not treating other classes of foreign income of a resident in British India (for example, income from investments abroad) on the same footing as income from business, nor did there seem to be any valid reason why foreign income should not be liable to tax whenever it was received in or brought into British India.

It was therefore proposed to amend the section in question so as to render all foreign income of a resident in British India from whatever source derived, liable to income-tax in British India, whenever it was received in or brought into British India.

The Associated Chambers of Commerce of India and Ceylon asked for the views of this Chamber on the Bill.

In addressing the Associated Chambers in the matter the Committee stated that they agreed with the view that had been expressed by the Madras and Burma Chambers to the effect that clause 2 (*b*) of the Bill was not acceptable in its present form.

Clause 2 read as follows :—

2. In sub-section (2) of section 4 of the Indian Income-Tax Act, 1922,—

(*a*) After the words " profits and gains," the words " of a business " shall be omitted ; and

(*b*) The words " provided that they are so received or brought in within three years of the end of the year in which they accrued or arose " shall be omitted.

It appeared that whereas profits and gains received or brought into India three years after the end of the year in which they accrued or arose, at present escaped assessment, Clause (*b*) proposed to do away with the period of three years and make all such profits and gains assessable whenever received or brought in. The Committee considered that—(*a*) profits and gains arising prior to the passing of the Bill should be exempt from taxation (as they now are) unless brought into British India in the three years subsequent to

the passing of the Bill; and (*b*) all profits and gains accruing after the Bill became law should be liable to taxation in India whenever received or brought into India.

EVASION OF INCOME-TAX.

(*See Report* 1931, *Vol. I, page* 52.)

The Committee for some time past have had under consideration the question of the evasion of income-tax and proposals for its prevention. They were invited to discuss the matter with the Hon'ble the Finance Member who intended visiting Bombay in January 1932, and they requested the Income-tax Sub-Committee to make suggestions in this connection. The Income-tax Sub-Committee had already started on their enquiry when it was learnt that the Finance Member had postponed his visit to Bombay, and it was thought that they had better bring their work to a conclusion and place their views on record for future reference if necessary. The Income-tax Sub-Committee had an informal discussion with the Commissioner of Income-tax and in the light of that discussion they submitted certain comments to the General Committee, who approved of them and forwarded them to the Commissioner with the suggestion that they might be submitted to the Central Board of Revenue with his comments thereon. The suggestions the Committee put forward were as follows :—

1. At present no statutory obligation rests upon the individual, firm or Hindu undivided family to make a return of total income (see I. T. Sub-Sec. 22 (2) and I. T. Manual, para 66). It is suggested that the onus of filing a return of income should be placed on the individual assessee even though he may have received no notice to do so. The penalty for making a false return might be that provided

by Sec. 177 of the Indian Penal Code—Furnishing false information—in the case of a first offence. For a second offence the penalty should be six months' imprisonment without the option of a fine.

2. Having received full information from the Commissioner of Income Tax, Bombay Presidency, regarding the working of his Department the Committee are of the opinion that the staff is insufficient to cope satisfactorily with the work of bringing in new assessees. The Committee have the impression that the staff has not enough time to make survey registers as complete as they should be, at any rate in respect of petty traders. It is understood that provision is made for checking surveys by a Special Inspector with the grade of Assistant Commissioner but that owing to retrenchment the post is at present in abeyance. It is a matter for consideration whether the appointment should be revived. Whether this is done or not the Committee are of the opinion that special officers appointed by the Central Government should pay periodical visits of inspection to provincial Income Tax Offices for the purpose of examining files and checking surveys.

3. Prosecutions under Secs. 51 and 52 of the Income-tax Act lie with the Assistant Commissioner. It is understood that most cases are compounded and that in other cases the Courts have imposed very lenient penalties. The Committee are of the opinion that offences should not be compounded to the extent they are at present, but should be brought to public light by means of prosecutions even although the Courts do not inflict adequate punishment. If publicity is given to only a few such cases every year the deterrent effect is bound to be considerable.

4. Under Sec. 19A, inserted by the Income-tax (Amendment) Act, 1926 (XXIV of 1926), the principal officer of a company has to furnish a return of shareholders to whom dividends exceeding such amount as may be prescribed have been distributed. The Chamber at the time suggested that the minimum amount of dividends should, for the purposes of this Section, be fixed at Rs. 5,000. The Government of India, however, fixed the above-mentioned figure at Rs. 10,000. There would appear to be still stronger arguments to-day for lowering the minimum amount now that the limit of super-tax has been reduced to Rs. 30,000.

5. A company is bound to make an annual return of persons to whom salaries have been paid. In the course of its assessment a company also furnishes information regarding persons to whom interest, discount, brokerage or commission has been paid. Although the Department may sometimes be handicapped by the inability of a company to give the addresses of persons to whom such payments were made it is within the knowledge of the Committee that cases have occurred where the information has been given and not acted upon. Such cases indicate the necessity for closer inspection and a general tightening up of procedure, but apart from this it is suggested that an improvement might be effected by some extension of the system of deduction at source, *e.g.*, in the case of interest on loans and mortgages and fixed deposits (excluding deposits with banks).

In regard to the suggestion contained in paragraph No. 4 above, the Central Board of Revenue by a Notification No. 30 dated 4th June 1932 reduced the minimum dividends in question from Rs. 10,000 to Rs. 5,000.

In regard to paragraph No. 3, provision was made in clause 23 of the Indian Income-tax (Second Amendment) Bill 1932 (see next item) for giving publicity to proceedings in which penalties were imposed.

In regard to paragraph No. 5, provision was made in clause 7 of the above mentioned Bill to deduct income-tax at source on interest paid to recipients whose income was so large that it was liable to super-tax.

INDIAN INCOME-TAX (SECOND AMENDMENT) BILL, 1932.

The Government of Bombay towards the end of October 1932 forwarded to the Chamber for opinion a copy of a Bill that had been introduced in the Legislative Assembly on the 23rd September 1932 for the purpose of amending further the Indian Income-Tax Act, 1922.

In the statement of objects and reasons attached to the Bill it was mentioned that the proposals contained in the Bill fell into two groups.

The first group comprised provisions aimed at the prevention of evasion. These proposals were contained in clauses 6 (*b*), 7, 11 and 23. The first two proposals were designed to apply *mutatis mutandis* to interest (other than interest on securities) provisions which already existed in connection with dividends of companies, whereby tax might be deducted at source when paid to recipients whose income was so large that it was liable to super-tax and information of amounts paid had to be furnished to the Income-tax Department even if the incomes of the recipients were not known to be so high as to be liable to super-tax. The object of these two amendments was to stop a leakage, which was believed to be serious, owing to the concealment of income derived from interest (other than interest on securities), especially interest paid on deposits with Banks.

The proposal in clause 11 was designed in part to enable an assessment to be made on a person who was about to leave India in the course of a financial year; and that in clause 23 to remove the seal of secrecy from proceedings in which penalties were imposed, offences compounded or prosecutions sanctioned, in the hope that fear of publicity might have a deterrent effect upon those who contemplated frauds on the revenue.

The second, and much larger, group comprised miscellaneous amendments to remove various defects in the existing law. Of these amendments the most numerous—and the most important—were intended to grant to assessees certain

concessions the withholding of which was regarded as inequitable or the security of which was, under the existing phraseology of the law, open to doubt.

After consulting the Income-tax Sub-Committee the Committee informed the Government of Bombay that they were of opinion that the Bill should be supported subject to the following reservations :—

Clause 7—(1) The time limit of six months in the new Section 20A might give scope for evasion and should be omitted.

Clause 7—(2) The amount of interest to be prescribed might be laid down at Rs. 2,500.

Section 9—The Committee were not clear as to how it was proposed to carry out in practice the assessment provided for in the new Section 24A (1) in the case of a person who had left British India and they asked for enlightenment on this point.

INCOME-TAX.

Appeals against Assessment.

(*See Reports* 1929, *Vol. I, page* 28 ; 1930, *Vol. I, page* 31).

The Government of Bombay in October 1932, forwarded to the Chamber, for opinion, a copy of a private Bill that was introduced in the Legislative Assembly on the 20th September 1932 for the further amendment of the Indian Income-Tax Act, 1922.

In the statement of objects and reasons attached to the Bill it was contended that the procedure for the levy of both income-tax and super-tax was antiquated and summary

and placed undue power in the hands of the assessing authorities who had been given the final right of hearing the so-called appeal of the assessee. The intention of this Bill was to remove the most glaring of defects in the method of assessment, to bring the assessors under some popular and judicial control and partially to redress the major grievances of the assessees.

In the Notes on Clauses appended to the statement of objects and reasons reference was made to the system in force in England under which income-tax was levied by the Commissioners of Inland Revenue.

If the English procedure were followed the whole Act would have to be recast. It was not the intention of the present Bill to do more than introduce an element of impartiality in the assessment of income-tax by providing that the assessor should act with the concurrence of three or more assessors and that all appeals against his assessment should lie to a court unconnected with the assessing department. The English law allowed three appeals against an assessment —first to the special Commissioners, secondly to the Recorder or County Court Judge and thirdly to the High Court. Under the Bill, if passed, provision was made only for a single appeal, but the High Court had been given the general power of revision which it possessed in all civil and criminal cases. In England the appeals lay to special Commissioners. The Bill embodied the general spirit of the English Act though it did not adopt its machinery.

The Committee carefully considered the Bill in consultation with the Income-tax Sub-Committee of the Chamber and in reply to the Government of Bombay stated that, while they were not in favour of the Bill as introduced by Sir Hari Singh Gour and recommended that it should be

opposed, they recognised that the present system of appeal against assessment, whereby, short of a reference to the High Court on a question of law, appeal could only be made to officials of the Income-tax Department, was by no means ideal and they would welcome a practical alternative. They realised, however, that the difficulties in the way of finding such an alternative were very great in a country like India. The main difficulties lay in the establishment of suitable Income-tax Tribunals, which would be additional to the ordinary machinery of the Income-tax Department, within reach of assessees, and in the cost of maintaining those Tribunals. The present Bill appeared to be so lax in its drafting that if any alteration was to be made in the appeal procedure relating to Income-tax the Committee would recommend that such alteration should be effected by means of an entirely new Bill.

INCOME-TAX SURCHARGE.

Exemption of Government Servants.

Towards the end of February 1932 the Associated Chambers of Commerce of India and Ceylon forwarded for the views of the Committee a copy of a letter from the Burma Chamber in which the latter referred to Notification No. 41, dated the 26th December 1931, issued by the Finance Department (Central Revenues), which exempted Government servants from the surcharges of 12½ per cent. and 25 per cent. on income-tax, imposed by the Supplementary Finance Bill, 1931. The Burma Chamber stated that they were aware that this notification only brought into effect the intention of Government, as announced by the Finance Member when he introduced the Supplementary Budget, that the cuts in the salaries of Government servants should include the surcharge on income-tax.

The Burma Chamber pointed out that they understood that no written protest had been made by the Associated Chambers against this discrimination between the official and the non-official. Furthermore, the salaries of non-officials had been almost universally cut, in many cases much more than 10 per cent. yet the non-officials had to bear a considerably greater burden of income-tax, which went to pay the salaries of the officials who were exempted from the surcharge. Officials had hitherto been subject to income-tax at the same rates as non-officials, and it appeared to the Burma Chamber that to differentiate between the two at any time was a vicious principle against which the strongest possible protest should be entered and maintained.

The Committee of this Chamber supported the protest of the Burma Chamber against the exemption of Government servants from the surcharges of 12½ per cent. and 25 per cent. on income-tax and expressed themselves in favour of the Associated Chambers addressing the Government of India on the lines indicated by the Burma Chamber.

The President of the Associated Chambers subsequently intimated that with the exception of the Bengal Chamber, there was general support to the suggestion of the Burma Chamber that a protest should be made against the exemption of Government servants from the surcharges of 12½ per cent. and 25 on income-tax.

Before addressing Government, however, the President asked constituent Chambers whether they did not consider that a protest to Government at the moment would be out of date. Furthermore, it was felt that a representation at that stage would inevitably have a depressing effect on Government servants throughout the country.

The President enquired of constituent Chambers whether they did not think it desirable that in the circumstances action might be suspended. The President felt that it would be generally agreed that there was no likelihood whatever that any protest would result in a revision of the decision of the Government. The President suggested, however, that the question might be kept in view so that on the next occasion when the subject of the pay and income-tax of Government servants came under discussion suitable representations might be made with greater likelihood of success.

The Committee after carefully considering the question in the light of the President's remark informed the Associated Chambers that if a majority of Chambers were not in favour of a protest being made they were prepared to fall into line.

After consideration of the replies received the Associated Chambers in addressing the Government of India, Finance Department, stated that they considered it undesirable that any differentiation should be introduced as between different classes of assessees, and, while not expecting Government to revise the decision already made, expressed the opinion that the present instance should be entirely discounted and not permitted to go on record as a precedent. Any repetition or extension of the principle of differentiation would be strenuously opposed.

INCOME-TAX.

Exemption of Gratuities to "Axed" Government Servants.

The Committee in September 1932 received from a member copies of correspondence that passed between themselves and the Commissioner of Income-tax, Bombay, in

regard to exemption of Government servants from liability to income-tax or super-tax on gratuities. From the correspondence it was observed that whereas gratuities or other compensation granted to Government servants on discharge or retirement as a result of the retrenchment campaign to compensate them for loss of employment or prospects was not liable to income-tax or super-tax, those granted to non-Government servants under similar conditions were liable to tax.

As was noted in the preceding item the Associated Chambers had informed the Government of India that any repetition or extension of the principle of differentiation would be strenuously opposed. The Committee accordingly forwarded copies of the correspondence to the Associated Chambers and suggested that the matter should be taken up with the Government of India.

The Associated Chambers circulated the constituent Chambers for an expression of their views on the subject, and subsequently informed the Chambers that the replies that had been received showed that there was general agreement that differentiation in such a matter between ex-employees of Government and ex-employees of commercial firms would be entirely wrong. It had been ascertained, however, that the procedure followed by the various Income-tax Commissioners in this respect was not uniform, and the President suggested that it would probably be better in the circumstances if the matter in question were dealt with by discussions between the individual Chambers and their respective provincial Commissioners of Income-tax. The Committee of the Chamber agreed with this view and decided to await developments before taking any further action.

INCOME-TAX ON PROVIDENT FUND CONTRIBUTIONS.

(*See Reports* 1915, *pp.* 46, 264; 1920, *Vol. I, page* 11; 1921, *Vol. I, page* 29; 1923, *Vol. I, page* 13; *Vol. I, page* 138; 1927, *Vol. I, page* 50; 1928, *Vol. I, page* 58; 1929, *Vol. I, page* 15; 1930, *Vol. I, page* 25; 1931, *Vol. I, page* 40.)

At the annual general meeting of the Associated Chambers of Commerce of India and Ceylon held at Calcutta in December 1931 the following resolution was unanimously adopted :—

" This Association draws attention to the inequitable effect of the provisions of the Income-tax (Provident Funds Relief) Act, 1929, inasmuch as these in practice result, in certain cases, in subjecting to income-tax employees who would not otherwise be liable, or in making them liable at higher rates, to such an extent that employers have seriously to consider whether in the interests of these employees they are justified in applying for recognition."

A copy of the resolution was duly forwarded to the Government of India for consideration. The Government of India in replying to the Associated Chambers stated that they had carefully considered the resolution and pointed out that Mr. Towler of the Bengal Chamber who moved it referred to two specific points, namely, first that the provisions of Section 58E of the Act, under which the annual accretion to the balance at the credit of an employee who was a member of a recognised fund was included in his " Total income " year by year, operated in certain cases to render a member of such a fund liable, from first to last, to pay more income-tax than if the fund had not been recognised ; and secondly that another result of the same provisions was that an employee might be subjected to taxation that he would not otherwise have had to suffer, in consequence of the inclusion in his

total income of sums that owing to the provisions of the Act, (Section 58C (1) (*f*), or of the rules of the particular fund of which he was a member, were liable in certain circumstances to be forfeited either to the employer or to the fund itself.

The whole subject was discussed with the Income-tax Committee of the Bengal Chamber by Sir Alexander Tottenham, of the Central Board of Revenue, when it appeared that the remedy favoured by the Bengal Chamber was to substitute for the existing provisions of Sections 58E and F, the corresponding provisions of the Bill as originally drafted by the Government of India, according to which—

(*a*) The employees own contributions alone were included in his total income (that is to say were not deducted from it), though exempt from tax, while the rest of the annual accretion that is to say the employers' contributions and all interest, were not taken into account year by year at all, and

(*b*) When the accumulated balance was paid, the entire excess contributions and excess interest credited to his account in the past—that is, of course, contributions, whether by himself or by the employer, in excess of the prescribed proportion of his salary, and interest in excess of the prescribed rate—were to be included in his total income and subjected to tax, also helping to determine the rate of tax applicable to the rest of his income in that year.

The Government of India were not aware whether this suggestion of the Bengal Chamber of Commerce would meet with general support. It would certainly be necessary, before taking any action to give effect to it (which would apparently require legislation) to ascertain the opinion of the business community, European and Indian, as a whole.

However, that might be, the Government of India had decided after full consideration that the time had not yet come to undertake any modification of the main principles of the Act.

It was mentioned that the Act had only been in force for a little over two years. Experience of its working was therefore slight. It was an extremely complicated measure. The provisions of the original draft, which it was now suggested should be restored, were deliberately replaced by the present provisions by the Select Committee, on which the business community were represented, on the ground that the former would work inequitably in certain cases. Now the present provisions were assailed on the same ground. It appeared to the Government to be probable, owing to the complexity of the subject, that an ideal set of provisions, such as would in no circumstances give ground for complaint in any quarter, was unattainable. It was at least arguable that if the original provisions of the draft Bill were restored they would be found in turn to inflict at least equal hardship in possibly a greater number of cases, as the Select Committee apprehended. As the Hon'ble Finance Member pointed out at the General Meeting, the hardships now complained of must be comparatively rare. In regard to one of them—the first of those mentioned above—the remedy was in the employer's own hands, since he could (if he was prepared to submit to a certain amount of inconvenience) maintain two funds, one recognised and one unrecognised leaving his employees free to join whichever they preferred.

Taking all these points into consideration, the Government of India decided that it was not necessary to amend the law at present. They added that they would watch the situation and consider action after a further year or two's experience, if such experience proved it to be desirable.

The Associated Chambers of Commerce of India in November 1932 forwarded to this Chamber for opinion a copy of a letter that had been received from the Madras Chamber in which the latter pointed out that the Income-tax (Provident Fund Relief) Act required 5 years' service as a minimum before an employee was eligible for the employer's contribution. Although an employee was not actually entitled to the employer's contribution until he had completed five years' service, this contribution was included in his income for purposes of assessment to Income-tax.

The Madras Chamber stated that in cases where a member of a recognised Fund received the full contributions of his employer it was of opinion that there was no case to put before Government, but where an employee did not receive the employer's contributions in full it was of opinion that a member of a recognised Fund was at a disadvantage by having to pay tax on sums he never received.

The Madras Chamber therefore suggested that a possible amendment might provide for a calculation at the end of five years as to what tax was in arrears and that in the sixth year a statement should be drawn up as to what tax would have been paid during the previous five years under the existing system in which tax was payable yearly on the employer's contribution. From the amount so ascertained provision might be made for the deduction of the amount which had been paid in tax and the difference collected as tax in arrears. By this means no employee leaving before receiving the employer's contribution would be asked to pay tax on sums which he had never received and never would receive and the difficulty of the inclusion of five years' contribution in one year (sixth) resulting in increasing the rate of tax,

would be overcome. The Chamber suggested that the proposed amendment might be brought to the notice of Government, with a request that Sections 58 E & G might be amended accordingly.

After consulting the Income-tax Sub-Committee the Committee of this Chamber in replying to the Associated Chambers stated that they were of opinion that an amendment of the Act should be pressed for to allow for an adjustment up to 10 years in the case of any employee ceasing to be a member of a recognised Provident Fund before becoming entitled to his employer's contribution. The amendment should provide that the Income-tax Officer should in every such case make a calculation of (1) the tax actually paid by the employee during his period of membership of the Provident Fund, and (2) the tax that would have been payable had he not been a member of a recognised Provident Fund, and collect or refund the tax under or overpaid, as the case may be.

The Committee pointed out that this matter had already been considered at the Associated Chambers' meeting in December 1931 and attention was directed to the reply of the Government of India in January 1932 to the general effect that, pending the further experience of a year or two, Government did not propose to amend the law.

It was noted that in the Madras Chamber's letter the statement was made that under the existing system tax was *payable* yearly on the employer's contribution. This was not understood as at the moment the gross salary plus the employer's contribution was taken into account to arrive at the total income and the appropriate rate of tax, but tax was only *paid* on net salary, *i.e.* on gross salary less employee's contribution.

INCOME-TAX ON INTEREST ACCRUED ON PROVIDENT FUND CONTRIBUTIONS.

Intimation was received in January 1932, from the Central Board of Revenue to the effect that it had been decided that interest on sums credited to an employee's account in a recognised Provident Fund, which sums represented appreciation of securities, was to be regarded as "interest" on an accumulation of contributions within the meaning of Sections 58A (*f*) and 58C (1) (*d*).

It was mentioned that the appreciation of securities itself could not come into the computation of the employee's income at any time, since it was merely a capital gain and not "income." Similarly depreciation of securities was a capital loss.

Early in April the Committee issued a circular to members in connection with Section 58E of the Indian Income-tax (Provident Funds Relief) Act. For purposes of record the circular is reproduced below :—

Section 58E of the Indian Income-tax (Provident Funds Relief) Act lays down that "the annual accretion in any year to the balance at the credit of an employee participating in a recognised provident fund shall be deemed to have been received by him in that year and shall be included in his total income for that year.

The Income-tax Officer at first ruled that in estimating the total income under the head "Salaries" of an employee who is a subscriber to a recognised provident fund, the employer should take into account—

(*a*) The entire salary proper of the employee, that is, without deducting therefrom the employee's contribution to the fund,

(*b*) The employer's contribution to the fund and

(*c*) Interest on the employer's contribution and accumulations thereof but not interest on the employee's contributions and accumulations thereof.

As a result of representations made to the Commissioner of Income-tax the latter ruled that interest which was paid by the Fund could not be treated as " salary " and that therefore clause (*c*) referred to above should be cancelled.

INTEREST ON SECURITIES.

Rate of Income-tax leviable on Companies.

After an informal discussion with Sir Alexander Tottenham, Member, Central Board of Revenue, on the 20th July 1932, the Committee, in consultation with the Income-tax Sub-Committee of the Chamber, addressed the Central Board of Revenue pointing out that under the ordinary income-tax law income-tax on interest on securities was deducted at source. Interest on securities was shown with the tax deducted in the assessee's return for the year following that in which interest was paid. Ordinarily the rate charged would be the rate in force for the year of assessment and credit would be given for the tax deducted in levying the assessment. It followed that in the ordinary case if the rate of tax was higher in the year of assessment than the rate in force in the year of receipt additional tax would be payable.

The Government of India appeared to have recognised the difficulties caused in this respect by the recent steep increases in the rates of tax, and by Notifications Nos. 18 of 5th April 1932 and 11 of 4th April 1931, issued under Section 60 of the Income-tax Act, they directed in effect that, so far as interest on securities was concerned, the tax actually deducted should be the whole tax payable notwithstanding the increase in the rate in the following year.

A similar notification bearing No. 20 of 9th April 1932 followed the provisions of the notifications issued in previous

years. But in May 1932, by Notification No. 26 the concession which applied to all assessees in respect of income-tax on interest on securities, was withdrawn in the case of companies, owing, it was understood, to the difficulty of arriving at the correct refunds due to shareholders. The Committee could not agree that this was an adequate reason for the change. They were unable to appreciate the difficulties apprehended, as the same situation had existed during the past two years, during which, to the best of their belief, no trouble had arisen from the question of refunds to shareholders. There seemed no reason why any greater difficulty would be experienced during the current year merely because of a further increase in the rate of tax.

The Committee pointed out that if Notification No. 26 was enforced companies would have to pay the difference between the rate of tax deducted at source in 1931 and the rate in force for 1932 including the surcharge of 25 per cent. It seemed inequitable that such a heavy additional burden should be laid on companies, especially after they had been led to assume that no further demand would be made on them in respect of tax on interest on securities, and, in many cases, they had made arrangements accordingly. The Committee added that they were very glad to learn from Government in this connection that the motive behind Notification No. 26 was not the desire of Government for increased revenue.

The Committee further stated that representations had been received from members of the Chamber making it clear that the withdrawal of the concession granted by Notification No. 20, in so far as companies were concerned, was likely to cause considerable hardship and inconvenience to companies and their shareholders. The Committee had been informed that subsequent to their meeting with Sir Alexander

Tottenham it had been decided to re-examine the subject, and they hoped that in the interests of the whole of the business community final orders would be issued withdrawing Notification No. 26.

The Central Board of Revenue later issued a Notification cancelling Notification No. 26 and further ordering that any sums collected under the cancelled Notification should be refunded at once without application.

INCOME TAX.

Return of Income of Companies.

The following notification was issued by the Central Board of Revenue on the 9th January 1932 :—

No. 4.—The following draft of certain further amendments to the Indian Income-tax Rules, 1922, which the Central Board of Revenue proposes to make in exercise of the powers conferred by sub-section (1) of section 59 of the Indian Income-tax Act, 1922 (XI of 1922) is published as required by sub-section (4) of the said section for the information of all persons likely to be affected thereby and notice is hereby given that the said draft will be taken into consideration on or after 22nd February 1932. Any objections or suggestion which may be received in respect of the draft before the date specified will be considered by the said Board :—

Draft amendments.

(1) For the form attached to Rule 18 (1) of the said Rules, the following form shall be substituted, namely :—

Income, profits or gains *of the company.*

Income, profit, or gains as per profit and loss account for the year ended 19 . Rs. a. p.

Add—Any amount debited in the accounts in respect of—

1. Reserve for bad debts .. ..
2. Sums carried to reserve for provident or other funds

		Rs. a. p.
3.	Expenditure of the nature of charity or presents..	
4.	Expenditure of the nature of capital	
5.	Income-tax or Super-tax	
6.	Rental value of property owned and occupied ..	
7.	Cost of additions to, or alterations, extensions, improvements of, any of the assets of the business	
8.	Interest on reserve or other funds	
9.	Losses sustained in former years	
10.	Losses recoverable under an insurance or contract of indemnity	
11.	Depreciation of any of the assets of the *company*	
12.	Expenses not incurred solely for the purpose of earning the profits	
	Total Rs. ..	

Deduct—*Any profits or income included in the accounts on account of*—

(a)	*Interest (gross amount) on securities taxed at source*	
(b)	*Interest on securities tax free*	
(c)	*Dividends (gross amount) from companies taxed in British India*	
(d)	*Other items already taxed at source (specify details)*	
	Balance Rs. ..	

If the Company owns any property not occupied for the purposes of the business a statement in the form prescribed in Schedule A to rule 19 should be attached with particulars of the credit and debit on account of such property entered in the accounts.

Declaration.

I, the [Secretary, etc., (see section 2 (12) of the Act] of the (name of Company) declare that the information against each head in this return is correctly given as shown in the books of the Company as also in the accounts which have been duly audited by the auditors of the Company and which have been adopted by the shareholders of the Company.

(Signature)

(Designation)

Dated 19 .

(2) In column 10 of Schedule A attached to rule 19 of the said rules, the word, " paid " shall be omitted.

After consulting the Income-tax Sub-Committee the Committee informed the Central Board of Revenue that in their opinion the amended form was a distinct improvement on the one in force. The Committee, however, pointed out that item (*d*) only specified income already taxed at source and would not cover :—

(1) Losses charged to reserves ;

(2) Rents from properties *not* occupied ; and

(3) Carry forward from previous year.

The Committee felt that the form should be as wide as possible and if necessary a few blank spaces could be left to suit particular cases as in the form provided under Rule 19 where at least one heading was left blank.

The form as finally published in Notification No. 13 of the 26th March 1932 had the following note appended.

" If any other deduction is to be claimed please give particulars thereof in a separate letter to be forwarded with the return."

INCOME-TAX ON TRAMP STEAMERS.

(*See Reports* 1923, *Vol. I, page* 94; 1924, *Vol. I, page* 91; 1925, *Vol. I, page* 88.)

A member of the Chamber in October 1932 addressed the Committee in regard to income-tax payable on the earnings in Indian waters of two steamers for the owners of which they were agents in India, and requested the opinion of the Committee as to whether the two steamers in question on which they were called upon to pay income-tax to the Government of India could escape an assessment which had also been made on them by the Baroda State.

After consulting the Income-Tax Sub-Committee, the Committee replied that without reference to the Baroda State Income-Tax Act it was impossible for them to express an opinion. They added that if, however, the member was liable to pay income-tax, he would have the usual right to claim relief under the arrangement regarding double taxation between British India and Baroda State.

CERTIFICATES ON DIVIDEND WARRANTS.

(*See Reports* 1928, *Vol. I, page* 49; 1929, *Vol. I, page* 22.)

Notice of the following amendment to the Indian Income-Tax Rules, 1922, was issued by the Central Board of Revenue on the 26th December 1931:—

Draft Amendment.

For the form set forth in rule 14 of the said Rules, the following form shall be substituted, namely:—

" (Name of company)

(Address of company).

Date .....

Warrant for Rs. (in words and figures or, if the certificate is crossed by an entry in words stating that

the amount of dividend is under the next multiple of Rs. 50 above that amount, in figures only)_____ being dividend (1) at the rate of Rs. (in words and figures)_____ per share for the (2) _____ the period from _____ to _____ during the year ending on the _____ day of _____ 19 .

(1) or dividend and bonus.

(2) year or half-year, as the case may be.

(3) _____ on

(4) _____ shares in this company, registered during the said period in the name of _____ This dividend was declared at the (5) _____ meeting held on the (6) _____ 193 .

(3) Here enter whether free of income-tax or not.

(4) Here enter number and description of shares.

(5) Here specify number and nature of meeting.

(6) Here enter date.

I / We hereby certify that income-tax on the entire / such part, as _____ is liable to be charged to Indian Income-tax of the profits and gains of the company, of which this dividend forms a part, has been, or will be, duly paid by me / us to the Government of India.

Signature .....

Office .....

(To be signed by the claimant.)

I hereby certify that the dividend above mentioned relates to shares which were my own property at the time when the dividend was declared and were during the period from _____ to _____ in the possession of _____

Signature .....

Date ....."

After referring the matter to the Income-tax Sub-Committee the Committee informed the Central Board of Revenue that the draft form of certificate appeared to them to be capable of more than one construction, *i.e.*, it was not clear whether it was applicable to interim dividends and whether it was expected that Companies should apportion dividends on shares acquired during the year. The Committee enquired what was intended to be the proper construction of the proposed amendment and the reasons for its introduction.

The Central Board of Revenue in reply stated that the amendment was made at the suggestion of a certain company one of whose articles of association read as under. The amendment of the form was intended solely to meet such cases :—

"The directors may, if they shall think fit, apportion the dividend payable in respect of any share amongst the persons (if more than one) whose names appear on the register of members as the holders for the time being of such share during the period in respect of which the dividend is declared, and notwithstanding anything contained in Article 124 may pay the amount of the dividend to such persons proportionately to the number of days during which they have respectively been the holders of such share during such period. For the purposes of this Article joint holders of a share shall be regarded as one person."

The Committee, however, felt that the proposed amendment would not overcome the difficulty which would be experienced in the majority of cases as dividends were normally paid to the holders at the time when the dividend was declared and the Committee were of opinion that the old form suited all normal cases. They consequently suggested to the Central Board of Revenue that if it was necessary to legislate for special cases, alternative forms should be provided.

The following Notification prescribing a revised form of Certificate was issued by the Central Board of Revenue on the 2nd April 1932 :—

No. 15.—In exercise of the powers conferred by section 59 of the Indian Income-Tax Act, 1922 (XI of 1922), the Central Board of Revenue directs that the following further amendment shall be made in the Indian Income-Tax Rules, 1922, the same having been previously published as required by sub-section (4) of the said section, namely :—

For the form set forth in rule 14 of the said Rules the following form shall be substituted, namely :—

" (Name of company)

(Address of company).

Date .....

Warrant for Rs. (in words and figures or, if the certificate is crossed by an entry in words stating that the amount of dividend is under the next multiple of Rs. 50 above that amount, in figures only) , being dividend (1) at the rate of Rs. (in words and figures) per share for the (2) the period from to during the year ending on the day of 19 , (3) on (4) shares in this company, registered during the said period on (Date) in the name of . This dividend was declared at the (5) meeting held on the (6) 193 .

(1) Or dividend and bonus.

(2) Year or half-year, as the case may be.

(3) Here enter whether free of income-tax or not.

(4) Here enter number and description of shares.

(5) Here specify number and nature of meeting.

(6) Here enter date.

I / We hereby certify that income-tax on the such part, entire as is liable to be charged to Indian Income-tax of the profits and gains of the company, of which this

dividend forms a part, has been, or will be, duly paid by $\frac{\text{me}}{\text{us}}$ to the Government of India.

Signature .....

Office .....

(To be signed by the claimant.)

I hereby certify that the dividend above mentioned relates to shares which were my own property at the time when the dividend was declared during the period from to on (Date) "

and were in the possession of

Signature .....

Date ....."

CEYLON INCOME-TAX ORDINANCE NO. 2 OF 1932.

Double Taxation.

The Associated Chambers of Commerce of India and Ceylon in July 1932 asked for the views of this Chamber on a letter received from the Burma Chamber in connection with Section 46 of the Ceylon Income-Tax Ordinance of 1932 which reads as follows :—

" Where any person proves to the satisfaction of the Commissioner that he has paid, or is liable to pay by deduction or otherwise, both Ceylon tax for any year of assessment and Empire tax for the corresponding year on his income from any source he shall be entitled to relief from Ceylon tax of one-half of the Ceylon tax or Empire tax paid or payable in respect of his income arising from that source whichever is less."

Note.—Empire tax means any Income or Super-tax under any law in force in any part of His Majesty's Dominions (other than the United Kingdom or Ceylon).

The Burma Chamber contended that the wording of this Section was not happy from the assessee's point of view, since it appeared that should the Ceylon Income or the Empire Income, or their respective rates of taxes fluctuate from year to year, the assessee would be in the unfortunate position of getting his relief on the lesser of the two assessments. This was inequitable to the assessee.

Under the Indian Income-tax Act (Section 49) and the United Kingdom Act the measure of relief granted was the difference between the appropriate rates of tax in the two countries. This was a very different thing from half the amounts paid, as computation of the amounts due for Empire or Ceylon tax might be on an entirely different basis. Each country had its own schedule of allowances and exemptions and the same income might result in an entirely dissimilar figure being erected for taxing purposes.

The Burma Chamber pointed out that some of its members were affected by the Ceylon Ordinances and no doubt a number of members of other Chambers in India were similarly affected. The Burma Chamber suggested that their letter might be placed before the constituent Chambers with a view to representations being made to the Government of India and the Government of Ceylon to have Section 46 of the Ceylon Ordinance amended.

The Committee after consulting the Income-Tax Sub-Committee on the point raised stated that they were of opinion that the Associated Chambers should take the matter up with both Governments.

The Associated Chambers subsequently stated that in view of the divergent opinions expressed by the various

Chambers it did not seem to the President that further action could be taken by the Association for the present at any rate.

The Committee informed the Associated Chambers, that they agreed with this view but suggested that the Burma Chamber might be asked to furnish examples with specimen figures of the hard cases they had in mind.

GOVERNMENT OF BOMBAY REORGANISATION COMMITTEE.

(*See Report* 1931, *Vol. I, page* 29.)

The Governor of Bombay in his speech in the Legislative Council on the 17th February 1932 announced the intention of Government to undertake steps to follow up the work of the Retrenchment Committee and that they were arranging to secure expert advice on reorganisation of the whole administrative machine.

Under Resolution No. 8300, dated 11th July 1932, Government appointed a Committee consisting of the following :—The Hon'ble Mr. G. A. Thomas, C.I.E., I.C.S. (*Chairman*) Mr. G. Kaula, C.I.E., Mr. D. G. Harris, C.S.I., C.I.E., and Mr. E. W. Perry, C.I.E., I.C.S. (*Secretary*).

Responsible bodies and persons who wished to propose definite schemes for reorganising or lessening the cost of the administration were invited to send their proposals to the Finance Department. The question was referred to a Special Sub-Committee of the Chamber who submitted the following memorandum which was adopted by the Committee and forwarded to the Reorganisation Committee :

The Reorganisation Committee was appointed by Resolution No. 8,300 dated 11th July 1932, and responsible bodies and persons

who wish to propose definite schemes for reorganising or lessening the cost of the administration are invited to send their proposals as early as possible to the Finance Department. It is difficult for a commercial body with no direct knowledge of the details of the administration to propose definite schemes for administrative reform. Nevertheless the Committee of the Chamber, with the assistance of a Special Sub-Committee have given very careful thought to the subject which appears to them of the highest importance at the present time, and they submit, in this Memorandum, certain expressions of opinion which they hope may be of assistance.

2. TERMS OF REFERENCE.—The Reorganisation Committee are asked to make recommendations for the more efficient organisation of the whole machinery of Government and for effecting all possible reductions in the expenditure controlled by the Government of Bombay, having regard to the present or prospective financial position and the prospect of the development of provincial autonomy in the near future. They are expected to perform this task without encroaching either on questions of policy or on questions affecting the All-India services. These terms of reference appear somewhat restrictive and confusing, and, if they are strictly adhered to, it would seem that the Reorganisation Committee will not be able to produce a report of real value or indeed aim at much more than the "mere pruning of expenditure" which is specifically stated not to have been the sole purpose of their appointment. It is therefore urged either that the terms of reference be revised or that the Committee be allowed some latitude in their interpretation, on the understanding that any recommendations affecting the All-India services be passed on for consideration by higher authority.

3. MEANING OF REORGANISATION.—It is important at the outset to be clear as to what reorganisation should cover. Clearly it means much more than mere retrenchment though it includes retrenchment. What seems to be needed if the Government of Bombay is successfully to face the next decade or so is a process involving entire reconstruction. The present economic crisis presents an exceptionally favourable opportunity for a thorough overhauling of the Government machinery. It is only when countries are passing through periods of intense depression, when they are driven to drastic measures by the instinct of self-

preservation that their leaders will have the necessary courage to demolish the old top-heavy structure and rebuild on a foundation more in keeping with the circumstances of the time. It is thus an opportunity that may never recur and full advantage should be taken of it. If these considerations are valid it would seem that the time allowed the Reorganisation Committee for completing their task, *i.e.*, four months, may prove to be inadequate for a task of such magnitude. Without any desire to encourage dilatoriness the Committee of the Chamber hope that in such event a reasonable extension will be allowed.

4. The foregoing would seem to indicate that if the task of reorganisation or reconstruction is to be successfully accomplished a fresh attitude of mind will be needed and questions of governmental finance approached from a different angle. In studying the subject of public economy the Committee of the Chamber have been helped by a stimulating article by Sir Ernest Benn in the July number of Lloyds Bank Review entitled " The Reduction of the Budget " which they would earnestly commend to the attention of the Reorganisation Committee. Although he is discussing the British Budget many of Sir Ernest's proposals are directly applicable to Bombay and his ideas might be adopted with great advantage. Sir Ernest asks why it is that national financial matters should be approached in a way which is the exact reverse of the ordinary approach to all other financial matters. "In our domestic and business capacities" he says " we always count our income and then proceed to spend it, but in our public business we spend first and look for the money afterwards. " He suggests that it is time we reversed this quite unnatural process. " Let proceedings begin " he says " by the Chancellor making his budget of what the taxpayer can be asked to provide for national purposes, having regard to the needs of industry for savings and new capital, and get this budget approved by the Cabinet and the House of Commons. The sum available would then be notified to the departments, with an intimation that it would be divided between them in the same proportions as in the previous year, unless any Minister is able to satisfy the Cabinet that a larger proportion should be given to him and taken from other departments." This passage is quoted as illustrating a principle that might well receive the consideration of the

Fresh approach necessary to questions of public Finance.

Government of Bombay. It is understood that estimates of probable revenue have been carefully prepared for some years ahead and it is therefore known what sums will be available. Unless a strict system of rationing the departments is adopted it is certain that this Presidency will embark on provincial autonomy under an incubus of debt against which the Federal Finance Committee uttered such a grave warning.

5. Sir Ernest Benn goes on to point out how small committees develop into big departments and he instances eleven mushroom growths the functions of which were previously undertaken by the Board of Trade, but to-day as separate departments they spend more than did the Board of Trade as a whole: and meanwhile the Board itself costs more than ever. Sir Ernest contends that no single one of these new offices can point to much improvement in the field in which it was designed to operate and that therefore they must be classed as mistakes. He argues that if we adopted in public finance the natural ordinary sensible method of first calculating our income and then proceeding to spend it, two out of three rival plans for spending money would never find their way on to the agenda at all. The necessity of reversing the process whereby expenditure is first estimated and then taxes are imposed to raise the money is Sir Ernest's central thesis, but he has a number of useful suggestions to make in connection with the adoption of commercial hours by the public service, the relations between central and local governments, the abandonment of the direct employment of labour, many of which might be adopted with advantage by the Government of Bombay. It will now be necessary for the Committee to put forward their specific proposals.

One Seat of Government.

6. Although as mentioned above it is difficult for the Chamber to propose definite schemes and it must in the main confine itself to indicating the lines on which it considers proposals for economy should proceed, there is one concrete scheme which it has no hesitation in recommending to the serious consideration of the Reorganisation Committee. There is no doubt that considerable savings could be realised if Government remained in one headquarters throughout the year. There has perhaps in the past been a tendency both to underrate the cost of the annual move and the inconvenience which it entails in the conduct of the work of the administration; at the same

time the necessity for it appears exaggerated, seeing that the business community are able to carry on their work in Bombay throughout the year without undue strain. Bombay is the commercial centre on this side of India and the Chamber would much prefer to see the headquarters of Government located there, but it would not press the point unduly, if the consensus of opinion is decidedly in favour of Poona and it can be shown that considerable savings would thereby be realised in rent and allowances to Government servants. In many countries the administrative and commercial capitals are located in different cities without apparent detriment to either Government or Commerce. And it is at least arguable that in some of the older capitals of the west the propinquity of 'big business' has not greatly contributed either to the smooth running of public affairs or to the purity of the administration. Not that such considerations would necessarily apply in Bombay: they are only mentioned as showing undue concern need not be felt if, for other reasons, it should be decided to fix the capital in Poona, particularly since the two places are separated from each other by a train journey of only three hours. A single seat of Government does not, of course, mean that His Excellency the Governor should restrict his residence to one place.

7. Many of the suggestions which follow can hardly be described as definite schemes of reorganisation and some of them will more properly be classed as measures of retrenchment. Nevertheless it is believed that if they are investigated by the Reorganisation Committee and the details carefully worked out, it will be found that their adoption would lead to very substantial economies in the aggregate, and that without the loss of any real efficiency.

Decentralisation.

8. In reviewing the organisation of the work in the Secretariat it is suggested that the aim should be greater decentralisation. A measure of decentralisation which at once suggests itself is the delegation of greater powers to Collectors. This would do away with the necessity for Divisional Commissioners and might also be expected to relieve the congestion which is believed to exist in the Secretariat. A serious attempt should be made to reduce, both at headquarters and in the Districts, the burden of routine work, which by taking up an excessive

proportion of their time, interferes with the activities of officers in more useful directions. A contributory cause of this excessive routine work is the mass of returns called for the under present system.

Office Management.

9. It is hoped that no time will be lost in acting on the Chamber's suggestion to the Retrenchment Committee in August last year that an independent expert in office organisation should be engaged from outside for the purpose of examining the system of office management generally, including filing, and suggesting improvements.

Hours of work.

10. The Committee strongly urge that the question of hours of work in Government offices should be exhaustively investigated. Rightly or wrongly, the belief is widespread that the hours prescribed are totally insufficient. If the criticism is well established, and if, say, one hour per day is added thereto, a material saving will be possible without throwing any undue strain on the staffs retained. The Committee certainly regret having to suggest that people should be thrown out of employment, but business houses have been compelled to reduce their establishments, and much as they regret having to make the proposal the difficulties of the present situation must overcome other considerations.

Stoppage of Recruitment.

11. In some cases where reduction is not possible for any reason it should at any rate be quite possible to dispense with any new recruitment. Where reduction is at all possible it should apply in the first place to persons whose period of service has been extended beyond the age limit. All persons on extended service should now be compulsorily retired. Promotions to fill their places should be for the present, without increment of salary. In fact the Committee recommend that all increments should for the time being be suspended. The principle should be applied throughout all services from top to bottom. Particularly in the case of the lower ranks, which have not been touched by the ten per cent. cut, increments should be stopped. The Committee would stress that for them the cost of living has fallen materially.

and of increments.

Scales of pay.

12. In the matter of scales of pay in general the Committee repeat the opinon they expressed last year that economy should be effected by a reduction in the number of clerks and subordinate officers and an increase in the hours of work rather than by a reduction of salaries. They consider that a probationary period of at least one year should be introduced and that the efficiency bar should be lower and earlier than it is now, say, after five years' service. Thereafter the graded system should apply in preference to the present incremental system which cannot encourage efficiency and individual ability and is liable to induce stagnation.

Special pay.

13. Special pay should only be given in the most exceptional circumstances. In most cases officers engaged on special work, which is remunerated by extra pay, perform such work instead of, and not in addition to, their ordinary duties. Special pay should only be given when considerable additional work or responsibility is involved.

Allowances.

14. There is considerable scope for economy in the matter of the allowances now drawn. A list of twelve allowances was furnished in reply to a question in Council in July 1931 (see appendix). This list should be drastically revised and those allowances that it is thought necessary to retain should be subject to a percentage reduction. This applies particularly to house-rent allowance in view of the fall in rents that has recently taken place. Incidentally house-rent allowance raises the question as to whether Government property in dwelling houses is being utilised to the best advantage. Another matter that requires careful examination is the question of acting allowances to which a percentage reduction might also be applied. It is believed that acting allowances are frequently drawn by officers on leave merely because they have held an acting appointment immediately prior to proceeding on leave. Such an anomaly, if it exists, should be stopped forthwith. In regard to travelling allowances many business firms have introduced economies in the direction of providing second-class fares for certain grades instead of, as formerly, first class. This seems to be a type of economy which might be examined.

15. Another matter that requires the most thorough investigation is the question of holidays in Government offices. These are considered to be excessive and a considerable saving could be effected by a reorganisation of a holiday system on lines more suited to modern conditions. The Chamber has had occasion to refer to the case of Government servants who occasionally have to put in a few hours of work on public holidays to meet the necessities of urgent business. The Excise Vend Fee Office was the department in question, but the same principle applies to other departments such as the Stamp Office. In these days of difficult trading a greater readiness to grant facilities to the business community would be appreciated. Extra fees for such facilities should be abolished or reduced to a minimum and on the other hand officials might sometimes be required to sacrifice an hour or two of a holiday as in the case of commercial houses without payment of overtime.

Holidays.

16. Hitherto general matters such as scales of pay, allowances, hours of work, etc., have been discussed in the memorandum. The suggestions that follow relate to some of the individual departments. The Excise Department is one of the main revenue producing departments of the Government of Bombay and its general reorganisation with a view to realising more profits seems very desirable. The Federal Finance Committee recently reported that in pursuing a policy tending to reduce or even extinguish excise revenue provincial Governments were sacrificing revenue without effecting a corresponding restriction of consumption. (Report of the Federal Finance Committee, 1932, paragraph 16). It is understood that Government revenue could be substantially increased without increasing the quantity of liquor consumed if more shops were opened in areas where illicit distilling and smuggling from Native States is rife. This should be taken in hand without delay, and the question of adopting the policy of some of the other Provinces and excluding from the Presidency Indian-made foreign spirit which competes with the produce of Bombay (*e.g.*, of the Nasik Distillery) might be considered. It is observed that some but not all the heads of Excise revenue show a tendency to increase in recent years. The Excise revenue from foreign wines and spirits is declining

Excise.

almost certainly as the result of the high additional Customs Duty imposed by the recent Budget. The Government of India might be asked to consider whether a reduction in Customs Duties should not be made in the interests both of the Imperial and Provincial revenues.

P. W. D. and miscellaneous appointments.

17. It is believed that considerable reorganisation and reduction could be effected in the Public Works Department by giving out more work on contract. It is recommended that the programme of present and future irrigation works should be thoroughly examined with a view to ascertaining whether the present establishments could not be drastically scaled down. The possibility of abolishing the post of Consulting Architect to Government should again be considered. There seems no reason why the services of private consultants should not be utilised for such work as has to be undertaken in the near future. Similar considerations would seem to apply to the post of Electrical Engineer and Chemical Analyser to Government. Complaints have been received in the past that the latter official competes unfairly with private enterprise, while if it be objected that the services of the former are required in connection with the tax on electrical energy the answer is that this tax is a burden on industrial development and should be abolished at the earliest possible moment, and in the meantime the Collector might act as sole inspecting authority. In examining the possibility of retrenching or reorganising these and similar posts the aim should be to limit as far as possible the encroachment by Government into the industrial and professional field and to substitute where feasible private enterprise for public control. At the same time care should be taken not to restrict the activities of departments engaged in scientific research work which is a proper function of Government and very necessary for progress and development generally.

Education.

18. It is admitted that Bombay's expenditure on Education *per capita* is far higher than that of any other Province, and yet it would be difficult to maintain that Bombay is a better educated Province than, say, Madras. There is a general feeling that there is far too little proper inspection of schools with the result that colossal waste goes on. In this connection attention is invited to Mr. J. Humphrey's

note in the report of the Retrenchment Committee calling for reform on the following lines :—

1. Revision of the Primary Education Act of 1923, with a view mainly to ensure—

(*a*) that a large share of the cost shall be borne by Municipalities and by District Boards, and

(*b*) that the control by Government (who provide from general revenues the preponderating share of the cost of education) of expenditure on education by means of inspection of schools shall not be relaxed.

2. Secondary education and still more University education should be made to a much greater extent self-supporting, and the Government grants should be made dependent on the levy of adequate fees on the pupils and students themselves.

It would appear that there is wide scope for reorganisation and reconstruction in the Department of Education whose expenditure accounts for over 12 per cent. of the total annual Budget, and that considerable savings could be realised without loss of efficiency.

Grants-in-aid.

19. The task of the Reorganisation Committee will not be complete unless the whole system of grants-in-aid not only for education but for medical and local purposes generally is thoroughly examined and overhauled with a view not so much to reducing such grants as to realising better results from the money expended.

Department of Industries.

20. It is a matter for investigation whether the retention of the Department of Industries is justified in the present circumstances. The Committee last year expressed the opinion that an Industries Department in a country with a highly protective tariff was redundant and considered that cottage industries could be looked after by the Registrar of Co-operative Societies.

Co-operative Department.

21. It is believed that the Co-operative Department is in urgent need of reorganisation with a view to consolidation before any further expansion is attempted.

22. Stationery and printing account for over 13 lakhs in the Bombay Budget and an expert enquiry would probably show that this sum could be considerably reduced. The Chamber Office has some experience of the working of the Government Central Press and judging from the difficulty which it has experienced in the past in obtaining copies of Government reports promptly the efficiency of the Department leaves much to be desired. A thorough overhaul is recommended. The Committee think there is room for reduction in expenditure in connection with the Bombay Government Gazette, particularly in regard to the reproduction of matter which is not of essential public interest. Much space seems to be occupied by the results of examinations, out of-date season reports, etc. but naturally the rearrangement of the Gazette on more useful and up-to-date lines would have to be the subject of special enquiry before undertaking the necessary legislation. In connection with this Department no action appears to have been taken to give effect to the recommendation of the Retrenchment Committee that, with the Government Central Press available, the special High Court Press was not necessary and should be abolished.

Stationery and Printing.

23. At a time when retrenchment is urgently necessary the possibility of closing down the Coroner's Court might be considered.

Coroner's Court.

24. It is suggested that the activities of the Bombay Smoke Nuisances Commission might be suspended for the time being. The Department has done work of great value in the past in reducing the emission of excessive smoke, with resultant benefit to the community. A temporary stoppage of its work, however, should not result in any serious set-back, at any rate for some time to come ; and by then if the financial situation has improved, it may be possible to resume the work, the suspension of which is necessitated by the existing stringency.

Smoke Nuisances Commission.

25. This memorandum does not pretend to be in any sense exhaustive. On the contrary it only touches the fringe of a vast subject. Its purpose is to illustrate some of the more obvious directions in which, it seems to the Committee, the work of reorganisation can

Conclusion.

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be usefully pursued. Many of the Departments are not mentioned at all; that does not imply that any of them should escape the general process of overhaul, but merely that the Committee have no specific suggestions to put forward at this stage. When definite schemes for the reorganisation of individual departments begin to take shape, the Committee will be very pleased, if they may be invited, to examine such schemes and to offer suggestions, if it is thought that commercial opinion will be of assistance.

(APPENDIX.)

LIST OF ALLOWANCES.

(1) House-rent allowance.
(2) Compensatory allowance.
(3) Head Quarters allowance
(4) Overtime allowance.
(5) Plague allowance.
(6) Clothing allowance.
(7) Proficiency allowance.
(8) Sumptuary allowance.
(9) Forage and grain compensation allowance.
(10) Fees to Government servants.
(11) Rewards to Government servants.
(12) Honoraria.

INDIAN FINANCE (SUPPLEMENTARY AND EXTENDING) ACT.

A Bill was introduced in the Legislative Assembly on the 3rd February 1932 which had for its object the amendment of the Indian Finance (Supplementary and Extending) Act, 1931. In the statement of objects and reasons attached to the bill it was mentioned that the bill was intended to enable the assessments of incomes exceeding Rs. 1,000 but not

exceeding Rs. 1,999 to be carried out expeditiously and economically with the minimum of labour and inconvenience alike to the assessees and to the assessing officers, by reintroducing provisions for the summary assessment of these low incomes such as found a place in the Income-Tax Act, 1918.

The Bill reproduced the provisions of section 30 of the 1918 Act with one important exception, namely that the assessment notice was to be served personally in the ordinary way in each case, whereas under the Act of 1918 notice of assessment could be given by posting lists in a public place, or other similar methods of publication by which it seemed likely that the fact of assessment might not be brought effectively to the notice of those concerned, many of whom might not be fully literate.

It was left to the option of every assessee either to accept the summary assessment, after representing to the Income-tax Officer any objection that he might take to it, or to claim assessment on a return of income according to the usual procedure.

The Bill was passed by the Legislative Assembly on the 15th February 1932.

BOMBAY FINANCE BILL.

On 22nd February a Bill was introduced in the Bombay Legislative Council, the object of which was to provide for the levy of a duty on consumption of electrical energy in the Presidency of Bombay and to amend the Court Fees Act, 1870 and the Indian Stamp Act, 1899 in their application to the said Presidency.

The Chamber's representatives in the Council were advised by the Committee that they might support the proposal as an emergency measure, in the absence of alternative suggestions, on the understanding that a serious effort was being made to cut down the administrative charges of the Bombay Presidency to a level which compared less unfavourably with that in other provinces.

The first reading of the Bill was passed by 68 votes to 26 on the 24th February 1932 and the Bill was referred to a Select Committee.

The Bill as amended by the Select Committee was finally passed by the Legislative Council on the 18th March 1932.

INDIAN SUCCESSION DUTY (BOMBAY AMENDMENT) BILL.

The Government of Bombay on the 4th February 1932 published a Bill the object of which was to make probates and letters of administration necessary to establish any right in any Court of Justice in the Bombay Presidency in the case of those communities which were exempted from liability to obtain the same under sections 213 (1), 212 (1) and 57 of the Indian Succession Act, 1925.

The Bill appeared to be in line with the recommendations of the Taxation Enquiry Committee which had the approval of the Chamber, and the Chamber's representatives in the Bombay Legislative Council were asked to give it their support.

The Bill was introduced in the Bombay Legislative Council on the 17th March 1932 but was rejected.

INDIAN PARTNERSHIP (FEES) RULES.

(*See Reports, 1930, Vol. I, page 22; 1931, Vol. I, page 74.*)

The Indian Partnership Bill to which a reference was made in the Chamber's Report for 1931 was passed by both Houses of the Legislature in February 1932 and came into force on the 1st October 1932.

Schedule I of the Act prescribes a maximum scale of fee chargeable for the submission of documents to the Registrar of Firms or for the inspection of documents in his custody. The maximum fee to be sent with an application for the registration of a firm is Rs. 3; in the case of other statements, intimations, etc., Re. 1; for the inspection of the register of firms, As. 8; for the inspection of documents relating to a firm, As. 8.

In exercise of the powers conferred by sub-section (1) of section 71 of the Act the Governor General in Council issued a Notification in September 1932 to the effect that the fees to be levied shall be the maximum fees specified above and that these fees shall be paid in cash.

PROMPT SETTLEMENT OF CLAIMS BY INSURANCE OFFICES.

The Government of Bombay in October 1932 forwarded to the Chamber for an expression of opinion a copy of a Memorial by the Association of Life Assurance Offices in India and the Indian Life Assurance Offices Association, together with a draft Bill submitted by the Associations the object of which was to enable Life Assurance Companies to pay money into Court in certain cases and to afford facilities to claimants to receive payment thereof.

The Committee considered the papers in consultation with a special Sub-Committee consisting of Messrs. H. E. Jones, A. S. Chadwick, H. Chamberlain and E. E. Allum, and in replying to the Government of Bombay stated that they were of opinion that the legislation proposed was necessary particularly because a Life Assurance Company would thus be enabled to obtain without undue delay and expense a good discharge for policy moneys due, in respect of which the Company was being harassed by various claimants who could not or would not submit the evidence of title necessary to ensure for the Company a good legal discharge for the amount due.

In the Memorial some emphasis was laid on the necessity of the proposed legislation to enable Life Assurance Companies to secure a good legal discharge where Policy moneys were claimed by the surviving co-parceners of a Joint Hindu Family. The Committee considered, however, that there would be little necessity to take advantage of the proposed legislation in such circumstances, except where there were rival claimants who, as already indicated, could not or would not submit the evidence of title required by the Company to enable the claim to be settled. It was pointed out that the procedure which prevailed in this Presidency, so far as the Bombay High Court and Courts within its jurisdiction were concerned, was that legal representation was granted without payment of the administration duty where such representation was required to facilitate recovery by the surviving co-parceners of a Joint Hindu Family in cases where evidence of title was necessary before the transfer of certain property belonging to a deceased member of a Joint Hindu Family could be registered, or before a Life Assurance Company, in view of the nature of the contract entered into with the policy holder,

i.e., a deceased member of a Joint Hindu Family, could meet the claim. So far as the Bombay High Court and Courts subject thereto were concerned there would therefore be no difficulty and little expense in securing Letters of Administration or a Succession Certificate in such circumstances.

The Committee considered, therefore, that if the practice of the Bombay High Court was adopted by the High Courts and Courts subject thereto in other parts of India, there would be little necessity for Life Assurance Companies to take advantage of the proposed legislation simply on account of the alleged difficulty of obtaining evidence of title to policy moneys due on the death of a member of a Joint Hindu Family, by the surviving co-parceners. Assuming that such practice could be adopted by the Courts throughout India the Committee were of opinion that there was little likelihood of the passing of the proposed legislation resulting in any undue additional work being placed on the Courts.

The only other point to which the Committee thought it necessary to refer was the question of the Court Fees and in this connection they considered that such Court Fees, as might be decided to be levied in respect of the petition should be required only from such applicant for payment out of Court, and no deduction should be made from the total amount of the policy moneys paid into Court on account of any Court Fee in respect of the petition for payment into Court.

REGISTRATION OF TRADE MARKS IN INDIA.

(*See Reports*, 1876/77, *page* 27; 1877/78, *page* 33; 1878/79, *page* 38; 1879/80, *page* 38; 1880/81, *pages*

lxxxviii, 18; 1883/84, *page* 152; 1890, *pages* 166, 215; 1891, *page* 168; 1895, *page* 96; 1903, *page* 44; 1904, *page* 48; 1906, *pages* 139, 543; 1908, *page* 24; 1909, *pages* 80, 541; 1913, *pages* 111, 697; 1914, *page* 59; 1919, *pages* 73, 459; 1926, *Vol. I, page* 353; 1928, *Vol. I, page* 74; 1931, *Vol. I, page* 317.)

The Committee in September 1931 appointed a Special Sub-Committee consisting of Messrs. A. McIntosh (*Chairman*), W. Deacon, S. Fuchsmann, C. N. Caroe and T. M. Zouros, who were asked to report upon the feasibility of introducing legislation for the compulsory registration of trade marks in India and the advisability of India becoming a party to the International Convention for the Protection of Industrial Property.

The Sub-Committee in their report stated that in their opinion there was justification for considering a measure of registration as an additional protection of the right of property in trade marks. They suggested that registration might be a means of facilitating protective action when action became necessary. They felt that the natural development of any law of registration should be, first, the growth of a feeling that it was no longer easy to imitate marks and get away with the imitation; second, the possibility of more speedy and effective action in the way of civil injunction unless the act complained of, had a good defence and third, the growth over a number of years of acquiescence in registration as *prima facie* proof of title with the existing provisions of the law still operative, if necessary, but, as it were, in reserve. The Sub-Committee considered that registration should follow in general, the provisions of the English law and they recommended that it should be voluntary and not compulsory. They thought it should be an all India subject and not

Provincial. The Sub-Committee found it difficult to arrive at an agreed opinion in regard to any particular period of years after which registration should acquire an additional sanction which it might not at first possess.

The Sub-Committee felt that the question of India being a party to the International Convention for the Protection of Industrial Property could not be discussed at the present stage to any real advantage and might be left to future development following any action in the matter of registration of trade marks. "

The Committee adopted the report of the Sub-Committee and forwarded copies to the Associated Chambers suggesting that the report might be circulated to the constituent Chambers for an expression of their views. The President of the Associated Chambers subsequently informed the Committee that the views expressed by the constituent Chambers varied considerably and in the circumstances he did not feel that the Association could usefully take any action. The President suggested, however, that the opportunity might be taken to move a resolution at the next annual meeting of the Associated Chambers.

This the Committee decided to do and the following resolution was accordingly submitted and adopted unanimously at the annual general meeting of the Association held on the 9th and 10th January 1933 :—

" That in the opinion of this Association the commercial circumstances and conditions of the present time require the enactment of legislation to provide for the registration of trade marks in India in such manner as will give the registered user of any mark the right to an immediate injunction preventing the use of such mark or any colourable imitation thereof by others subject only to proof of prior usage by the defendant in any dispute."

TRADE MARKS.

Quality Numbers on Piecegoods.

(*See Report*, 1931, *Vol. I*, *page* 317.)

It was mentioned in the Chamber's Report for 1931 that the Committee had asked a Special Sub-Committee to draft rules and regulations for the control of trade marks (including quality numbers) on piecegoods and to suggest a scale of fees in consultation with a Sub-Committee of the Bombay Millowners' Association. The Special Sub-Committee drafted a set of rules but when the Bombay Millowners' Association were approached it was suggested that disputes in regard to trade marks should not come within the purview of the Court of Reference which it was proposed to set up, since the Association's rules for the registration of trade marks, and the Trade Marks Acts of the various countries from which piecegoods were imported, amply protected trade marks on local and imported goods against infringement.

As regards trade numbers it was considered that the position was somewhat different, and the Association was inclined to think that a Court of Reference such as was proposed might serve a useful purpose provided its establishment was preceded by the compilation of a more or less complete record of the numbers used on the various classes of imported and locally made piecegoods. It was added that steps had been taken to compile such a register for the local industry and it was suggested that importers should adopt a similar procedure. After this was done, the need for a Court of Reference might be further explored.

The Committee decided to take no further action pending another reference from the Bombay Millowners' Association.

INFRINGEMENT OF DESIGNS ON PIECEGOODS.

The attention of the Chamber was drawn in November 1932 to the fact that the Customs authorities at Bombay had declined to detain under the provisions of section 18 (*d*) of the Sea Customs Act, goods the designs on which were infringements of designs which were registered in India under the Patents and Designs Act, on the ground that a design was not a trade mark. It was contended that a design was a trade description within the meaning of section 2 (2) of the Indian Merchandise Marks Act and that the Collector of Customs was empowered, under section 18 (*d*) of the Sea Customs Act read with section 2 (3) of the Indian Merchandise Marks Act, to detain any goods when a claim was put forward that the design on such goods was an infringement of a design coming within the purview of the Patent and Designs Act, more particularly as the proprietor of the design has to indemnify the Customs authorities against all claims.

In addressing the Collector of Customs on the question the Committee pointed out that owing to the wholesale piracy of well-known designs of certain importers the matter was of some urgency and they asked him for his views on the question generally and also for the reasons for the Customs authorities declining to make use of section 18 (*d*) of the Sea Customs Act in the cases referred to above.

The Collector of Customs in reply stated that he had issued instructions not to detain goods, the designs of which

were alleged to be infringements of designs registered in India under the Indian Patents and Designs Act, after consulting the Solicitor to Government, Bombay, who gave it as his opinion that "the Collector of Customs has no power to detain goods on the ground that such goods bear a design which infringes a design of other manufacturers, as a design is not a trade mark or a trade description within the meaning of the Indian Merchandise Marks Act, 1889."

The Collector added that in regard to the point that such a design was not a trade description within the meaning of the Act, there had been a ruling which was referred to in the Merchandise Marks Manual. On enquiry from the Solicitor to Government as to where this ruling would be found, he referred to the case in Sind Judicial Commissioner's Court of Narumal Khemchand v/s the Bombay Company reported in XXV Indian Cases, page 998. The head note to that case read as follows:

"Where a design or pattern covers the whole body of goods and is part and parcel of the goods themselves, it falls within the definition of "design" given in Section 2 (5) of the Indian Patents and Designs Act II of 1911, and does not satisfy the ordinary conception of a trade mark. Nor is such a design or pattern a "trade description" within the meaning of Section 2 (2) of the Merchandise Marks Act IV of 1889."

In view of the above reply the Committee moved the following resolution which was adopted unanimously at the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 9th and 10th January 1933:—

"This Association is of opinion that if the Customs authorities do not at present have the power under the Section 18 (*d*) of the Sea

Customs Act to detain goods the designs on which are infringements of designs coming within the purview of the Indian Patents and Designs Act, immediate steps should be taken to amend the law so as to give the Customs authorities such power."

EMPLOYMENT OF TWO COUNSEL BY LITIGANTS.

The Prothonotary and Senior Master of His Majesty's High Court, Bombay, in December 1932, drew the attention of the Chamber to the fact that there was a widely prevalent impression in the minds of the public that the employment of two counsel was obligatory in all cases filed in the Bombay High Court. He pointed out that the High Court did not insist on the compulsory engagement of two counsel in any case, though in heavy cases two counsel might be desirable. The Prothonotary forwarded to the Chamber a copy of a letter that he had addressed to the Government of Bombay setting out the correct practice in this regard. The above letter together with the comments of the Chamber's Solicitors thereon will be printed in full in the Appendices.

GOVERNMENT PROPAGANDA.

In inviting the attention of the Director of Information to the statement by the Governor-General in Council published in the *Gazette Extraordinary*, dated 4th January 1932, explaining the events leading up to the promulgation of the Ordinances and to a message from H. E. the Governor of Bombay which appeared in the newspapers of the 7th January, the Committee stated that these statements clearly set forth the Government's case and they expressed a hope that steps would be taken to ensure that they received

the widest possible publicity not only in the *Gazette* and in the vernacular press published in the chief towns but also by means of pamphlets and leaflets disseminated by the Patels of the villages throughout the Presidency.

The Committee stated that during the campaign of civil disobedience in May 1930 the Chamber addressed the Home Department of the Government of Bombay urging the necessity for intensive counter-propaganda by Government contradicting the inaccurate and misleading information spread by Congress agents. In the Committee's opinion the need for the propaganda was no less urgent at the moment and any information as to publicity measures which were being taken or were under contemplation would be welcomed as an earnest of Government's intentions in this matter.

A reply was subsequently received from the Director of Information to the effect that steps had been taken on the lines indicated by the Committee.

THE BOMBAY WEIGHTS AND MEASURES ACT.

(*See Reports.* 1906, *pp.* 116, 487 ; 1908, *page* 110 ; 1910, *page* 99 ; 1912, *pages* 118, 646 ; 1913, *pages* 45, 300 ; 1914, *pages* 50, 398 ; 1915, *pages* 68, 422 ; 1920, *Vol. I, page* 201 ; 1922, *Vol. I, page* 306 ; 1924, *Vol. I, page* 344.)

A Bill was introduced in the Bombay Legislative Council in September 1932 for the purpose of fixing a scale of standard weights and measures for the Presidency of Bombay. In the statement of objects and reasons it was mentioned that the question of prescribing a scale of standard weights and measures for this Presidency had been under the consideration of Government from time to time since the passing of

the Indian Weights and Measures of Capacity Act, 1871, by section 8 of which the Governor in Council was empowered to introduce a system of weights and measures, consistent with the statutory units prescribed by section 3. Although that Act had been on the Statute Book for more than 55 years, no notification had yet been issued under it, as it was hoped that weights and measures based on the statutory units would be gradually and generally adopted without further intervention on the part of Government. This hope had not, however, been realised. Moreover, the rules under the said Act were intended to apply only to Government offices, Municipal bodies and Railway companies (see section 12). Similarly, the Indian Measures of Length Act, 1889, did not contain sufficient provisions for enforcing the standardisation of measures of length.

The whole question was examined very carefully between the years 1890 and 1894 by the Government of India in consultation with the local Government. In 1911 a Committee of the Bombay Legislative Council was appointed to make proposals for the standardisation of weights and measures. The Committee unanimously recommended that Government should forthwith undertake legislation to secure for themselves power to prescribe the weights and measures which alone should, after a certain date, be used in specified areas. Government accepted generally the recommendations of the Committee. A Bill was prepared on the lines of the Committee's recommendations, but the question had to be deferred, as a Committee was appointed by the Government of India to enquire into the question of the feasibility of securing the use of uniform weights and measures for the whole of India. The Government of India refrained during the War from dealing with the question of the standardisation of weights

and measures, as any radical change of system would have involved at any rate a temporary dislocation of trade.

The question was taken up by the Government of India again in 1921, when, in view of the fact that the subject of Weights and Measures was made provincial under the Reforms (subject to legislation by the Indian Legislature as regards standards), it was decided to leave the question of provincial standardisation of weights and measures for such action as the local Government considered expedient.

In 1923, a Committee was appointed by the local Government to consider the question. This Committee submitted its report in May 1924. The Committee's recommendations had been carefully considered by Government and the present Bill was intended to give effect to the said recommendations.

The scheme of the proposed legislation was as follows :—

The Act would apply to the whole of the Presidency of Bombay, but the whole of it would not be brought into operation at once all over the Presidency. Government had been empowered to extend the Act except Part IV, which provided for penalties to any area. Part IV would come into operation in that area three months after the date when the rest of the Act was brought into operation there.

The Act defined standard weights and measures and described them in the first schedule. It provided that those weights and measures alone would be the weights and measures which were authorised for use by the public in the area in which the Act would be in operation. As it would be prohibitive to prepare and maintain all the standard weights and measures specified in the first schedule, it was provided that Government should direct the preparation of such of the standard weights and measures to be called primary standards, as they should think fit. Since the primary standards would not be available

for testing weights and measures in actual use, it was considered desirable to prepare and maintain two other sets of standards, *viz* :— (1) secondary standards and (2) working standards. Secondary standards would be derived from primary standards and would be kept by the Collectors in the districts and such municipalities and district local boards as might be authorised in that behalf by Government. The secondary standards would be prepared at the Mint and would be of such material and specifications as Government might decide (see clauses 7 and 8). Working standards would be prepared by such agency as might be authorised by Government (see clause 9). All the standards would be of the denominations of such standard weights and measures as were specified in the first schedule. Since the primary standards would be kept in Bombay and the secondary standards in more important towns in the districts and would not ordinarily be transportable, working standards would be available for ready transport for the purpose of checking weights and measures in use in the districts. They were designed for reference and check in the smaller areas and would be maintained also at the important centres where secondary standards would be kept. They would be cheap to make and, though less accurate than secondary standards, sufficiently accurate for all practical purposes. They would be made of such material, weight, length, form and specifications, etc., as might be prescribed by rules made by Government under the Act. They could be made at the Mint or purchased locally. In the latter case they would be checked with secondary standards before being stamped. When made and stamped in the prescribed manner, they would have the same force and effect as the standard weights and measures. Provision had been made for the verification and reverification of working standards and for their adjustment and renewal, if necessary.

Clause 10 provided for the keeping of weighing and measuring instruments at important centres. Clause 11 contained a provision of fundamental importance. It prohibited the use of any weight or measure other than the standard weight or measure in any area in which the Act would be in operation. It further provided that any contract or dealing not made according to the standard weights and measures should be void.

Part III (clauses 12 to 29) contained provisions for the stamping and verification of weights and measures. It would be the duty of Government and such municipalities and district local boards as were authorised to keep secondary and working standards, to appoint inspectors of weights and measures, to provide facilities for the verification of weights and measures and weighing and measuring instruments. Unless a municipality or a district local board had been authorised to stamp a weight or measure, an inspector appointed by it would not have power to stamp any weights or measures. The adjustments and stamping of weights and measures would be done in the manner prescribed by rules made under the Act. Inspectors would have power to enter places for the purpose of ascertaining whether the provisions of the Act and the rules and regulations made thereunder were properly carried out or not. Power had been taken for Government, the municipalities and district local boards to levy fees for the verification, etc., of weights and measures.

Part IV (clauses 30 to 38) dealt with penalties. The following acts and omissions were made punishable :—

(1) Fraudulent use of a weight, measure, weighing or measuring instrument ;

(2) Possession of a false weight or measure, weighing or measuring instrument for trade ;

(3) Use or possession for use for trade of a weight or measure which was not verified or stamped in the manner prescribed ;

(4) Forging or counterfeiting a stamp used for the purpose of stamping a weight, measure, weighing or measuring instrument ;

(5) Use of a weight or measure, weighing or measuring instrument with a forged or counterfeit stamp.

(6) Neglect or refusal to produce any weight, measure, weighing or measuring instrument for inspection ; and

(7) Misconduct of an inspector.

Part V (clauses 39 and 40) related to the power of Government and municipalities and district local boards to make rules and regulations. The last Part headed "Miscellaneous" (clauses 41 to 45) contained an important provision, *viz.*, clause 44 which empowered Government to grant exemption from the provisions of the Act in special cases—such as the sale of drugs, jewels, precious stones, wholesale trades, etc., where the use of standard weights and measures would not be deemed convenient or practicable.

Schedule II repealed provisions in Municipal Acts relating to the use of standard weights and measures and the old Acts of 1871 and 1889 relating to weights and measures of capacity and length.

The Bill was referred to a Special Sub-Committee of the Chamber consisting of the President, Mr. R. R. Haddow, and Messrs. L. A. Halsall, A. Achlimbari and Albert Raymond who submitted a report which was adopted by the Committee and forwarded to the Chamber's representatives in the Legislative Council for their information and guidance.

The Sub-Committee expressed the opinion that it was unlikely that a measure of this kind could be really satisfactory

if its operation was restricted to the Presidency of Bombay, They pointed out that this city was a market for the produce not only of the Presidency but of areas beyond its limits including the Native States. The ideal would therefore be an all-India measure like the Act of 1871. Since, however, weights and measures were a provincial subject under the present constitution a provincial measure should be accepted as the best obtainable in the circumstances, in the hope that the adoption of standard weights and measures in the principal areas in Western India might lead other provinces and States to follow the example of Bombay and that eventually, after the establishment of a federal constitution, the Bombay Act might be consolidated in an all-India measure. The Bill was designed to give protection to both buyers and sellers of commodities and as such it should be welcomed.

The Sub-Committee preferred that the Act should be brought into operation for the whole of the Presidency on a definite date. But if this was not found practicable and it was to come into force piecemeal in certain specified areas then, in their opinion, a time limit of say two years should be imposed, at the end of which period it should come into force throughout the Presidency. The Sub-Committee did not appreciate the reason for the suggestion contained in the statement of objects and reasons that wholesale trades should be exempted from the provisions of the Act, as in that case they considered that the Act would fail in its purpose The Sub-Committee submitted a number of detailed criticisms on certain of the clauses of the Bill.

The Bill after being referred to a Select Committee of the Legislative Council who amended it in several respects was passed by the Council on the 11th October 1932.

INSOLVENCY LEGISLATION.

(*See Reports*, 1914, *page* 49 ; 1918, *page* 13 ; 1919, *page* 34 ; 1927, *Vol. I*, *page* 70 ; 1928, *Vol. I*, *page* 83 ; 1929, *Vol. I*, *page* 52 ; 1930, *Vol. I*, *page* 35 ; 1931, *Vol. I*, *page* 68.)

The following resolution proposed by the Bengal Chamber and seconded by this Chamber was adopted at the annual meeting of the Associated Chambers of India and Ceylon held at Bombay in December 1929.

"This Association recommends to the Government of India the amendment of the Presidency Towns Insolvency Act and the Provincial Insolvency Act with a view to the incorporation, in these Acts of provisions similar to those provided by the English law laying on the Official Receiver the duty of investigating the conduct of the insolvent and taking such action in connection therewith as may be necessary."

A copy of the resolution and of the report of the discussion which preceded its adoption were forwarded to the Government of India for consideration.

The Government of India in May 1932 intimated that, after careful consideration of the views of the local Governments, they had decided not to pursue the proposal, as the consensus of opinion was opposed to it mainly on financial grounds.

In view of the reason given by Government, the President of the Associated Chambers thought that no useful purpose would be served by pressing Government at the moment to reconsider their decision. The President suggested, however, that the subject might be borne in mind for possible action in the future.

BANKRUPTCY LAW IN THE EMPIRE.

(*See Report*, 1930, *Vol. I*, *page* 34.)

It was mentioned in the Chamber's Report for 1930 that the Associated Chambers of Commerce of India and

Ceylon had referred to this Chamber the replies of the solicitors of the Bengal Chamber of Commerce to a questionnaire concerning India that had been submitted by the Federation of Chambers of Commerce of the British Empire in connection with an investigation that was being conducted by a Special Committee in regard to the position of bankruptcy law in the various units of the Empire.

A copy of the Report of the Special Committee was forwarded to the Chamber in December 1932 and was placed at the disposal of members interested.

STANDARD FORM OF MINING LEASE.

(See Reports, 1927, Vol. I, page 97 ; 1929, Vol. I, page 69.)

The Committee were asked by the Associated Chambers of Commerce of India and Ceylon in August 1932 for their views on certain modifications in the standard form of mining lease proposed by the Mining and Geological Institute of India. In replying to the Associatied Chambers the Committee agreed that the form of mining lease should be modified in order to comply with the existing conditions and that the rules governing the cancellation of mining leases should be revised. The Committee suggested that the right of re-entry clause should contain a proviso with regard to breaches of covenants to the effect that the forfeiture of leases should not be enforced if the lessee in times of distress was compelled to close down operations owing to bad trade or for reasons over which he had no control. They considered that in times of depression the concessionaire should be allowed to pay any arrears that might accumulate on resumption of work and that the Deputy Commissioner of the district in which the mine was situated should be allowed to

use his discretion as to how such arrears should be collected. The Committee agreed that all cases of forfeiture of a mining lease should be subject to the lessee's right of appeal to the Government of India and that the power of forfeiture should not be in the hands of any but the most responsible authority.

In conclusion, the Committee said they were in favour of the Associated Chambers approaching the Government of India with a view to obtaining a modification of the standard form of mining lease on the lines proposed by the Mining and Geological Institute of India.

PROPOSED PROTECTION TO THE MANUFACTURE OF ELECTRIC WIRE AND CABLES.

(*See Report*, 1931, *Vol. I, page* 135.)

The following Resolution was issued by the Department of Commerce of the Government of India on the 6th February 1932 :—

" The Report of the Tariff Board regarding the grant of protection to the manufacture of Electric Wires and Cables was published for general information today.

" The Tariff Board have found that the manufacture of electric wires and cables is not an industry which satisfies the conditions laid down by the Fiscal Commission, and they have therefore made no recommendation for the grant of protection to the industry. The Government of India accept this finding."

PROTECTION TO THE WIRE AND WIRE NAILS INDUSTRY.

(*See Report*, 1926, *Vol. I, page* 176.)

In their Resolution No. 362-T., (II), dated the 7th May 1931, the Government of India remitted to the Tariff

Board for enquiry an application from Messrs. The Indian Steel Wire Products, Tatanagar, asking for the restoration of protection to the wire and nails industry. The Board's report was submitted on the 15th October 1931 and was published for general information on the 3rd February 1932.

The Board recommended that so much assistance might be granted to the industry as would enable it to maintain itself until such time as it might reasonably be expected to make arrangements for supplying itself with material drawn from indigenous sources. It is calculated that if a selling price of Rs. 190 per ton be guaranteed for wire nails, the manufacturer should obtain a profit on his present output of about 5 per cent. on his total capital expenditure and the Board considered this to be a fair price for the purpose of temporary assistance. It accordingly recommended the imposition of a duty on wire and wire nails at the rate of Rs. 45 per ton until the wire and nail industry's claim to substantive protection had been investigated in the course of the next statutory enquiry into the iron and steel industry. The Board also recommended that the existing concession should be continued under which Messrs. The Indian Steel Wire Products were permitted to import wire rod free of duty.

The Government of India accepted the Tariff Board's recommendations and introduced a Bill in the Legislative Assembly on the 3rd February the object of which was to give effect to the proposal made by the Board that a temporary protective duty of Rs. 45 per ton should be imposed on iron or steel wire and wire nails. It was proposed in the Bill that the duty should remain in force until the 31st March 1934. The Bill after being referred to a Select Committee

was passed by the Legislative Assembly on the 22nd February 1932.

PROTECTION TO THE INDIAN SUGAR INDUSTRY.

(See Reports, 1930, Vol. I, page 85 ; 1931, Vol. I, page 129).

On a representation from the Imperial Council of Agricultural Research, the Government of India in their Resolution No. 127-T. (19), dated the 20th May 1930, directed the Tariff Board to enquire into the question of granting protection to the sugar industry, a term which was intended to include the grower of sugar-cane in India, the manufacturer of different kinds of indigenous raw sugar (gur) and the manufacturer of crystalline sugar. The Report of the Board was published for general information on the 13th March 1931.

The Board found that the case for protection to the sugar industry rested on the importance of cane cultivation in the agricultural economy of India and that in order to maintain and, if possible, increase the area under cane a stimulus must be provided for the manufacture of refined sugar. The Government of India accepted this finding.

The Board recommended :—

(1) That a protective duty be imposed on all classes of sugar, including sugar-candy, at the rate of Rs. 6-4-0 per cwt., for a period of fifteen years ;

(2) That an additional duty at the rate of Re. 1 per cwt., be imposed on all classes of sugar, including sugar-candy, for the first seven years of the protective period ;

(3) That power be taken to impose by executive order an offsetting duty, when necessary, at the rate of 8 annas per cwt., should the price of sugar fall below Rs. 4 a maund ;

(4) That the duty on molasses should remain unaltered ;

(5) That a grant of not less than Rs. 10 lakhs be made annually from Central Revenues for sugar research;

(6) That the Bill to be introduced to give effect to the proposed duties should contain a provision enabling Government to call for such returns from sugar factories as might be considered necessary;

(7) That the Bill should contain a provision enabling Government to make rules requiring sugar factories to post notices specifying such matters relating to the prices paid for sugar-cane as might be thought necessary;

(8) That no assistance in the form of a loan, grant, subsidy or other concession be given to a sugar company unless it complied with the conditions laid down in paragraph 292 of the Fiscal Commission's Report, *i.e.*, it was incorporated and registered in India with rupee capital, had a reasonable proportion of Indian directors and offered facilities for training Indians at Government expense;

(9) That new sugar companies coming into existence during the protective period be compelled, by such means as Government might consider practicable, to be registered as public companies with rupee capital.

The Government of India accepted the recommendation of the Board that a single rate of duty should apply to all classes of sugar, but considered an initial protective period of fifteen years to be unduly long. They decided to propose that a protective duty at the rate of Rs. 7-4-0 per cwt., be imposed on all classes of sugar until the 31st March 1938 and that provision should be made in the statute for a further enquiry before the end of that period into the question of continuing protection to the industry.

The Government of India did not propose to accept the Board's recommendation that power should be taken to impose an additional duty in the event of the price of imported sugar falling below a certain level.

The Government of India accepted the recommendations of the Board that the duty on molasses should remain

unaltered and that power should be taken by statute to call for such returns from sugar factories as the Governor-General in Council might deem it necessary to prescribe. They felt considerable doubt, however, whether rules requiring sugar factories to post notices regarding prices paid for sugar-cane would have much practical result and they did not, therefore, propose to include provision for that purpose in the protective Bill.

The Government of India added that the Board's recommendation that an annual grant of not less than Rs. 10 lakhs should be made for sugar research would receive their careful consideration, but in the present financial circumstances they regretted that no undertaking to carry it into effect could be given.

The Board's recommendation that no assistance in the form of a loan, grant subsidy or other concession should be given to a new company unless it complied with the conditions laid down in paragraph 292 of the Fiscal Commission's Report embodied a principle already accepted by the Government of India and one which found a place in certain existing Provincial Acts. Its practical application was ordinarily a matter for Local Governments. The recommendation of the Board that new sugar companies should be compelled to be registered as public companies involved the introduction of a new principle which the Government of India were unable to accept. In their opinion prohibition of the formation of private companies to develop the sugar industry would impose an undesirable handicap upon enterprise.

A Bill was introduced in the Legislative Assembly on the 3rd February 1932 the object of which was to give protection to the sugar industry in accordance with the decisions

of the Government of India as detailed above. The Bill was referred to a Select Committee and afterwards passed by the Legislative Assembly on the 2nd April 1932 and by the Council of State on the 6th of April 1932.

PROPOSED PROTECTION TO THE SERICULTURAL INDUSTRY.

The following Resolution of the Government of India, Department of Commerce, dated 3rd December 1932 was brought to the notice of members interested and is reprinted here for purposes of record : –

No. 607 T. (1)—It has been represented to the Government of India that notwithstanding the existing high revenue duty on imported raw silk the recent increase in imports of that commodity from foreign countries constitutes a grave menace to the existence of the indigenous sericultural industry. It has therefore been decided that the claims of the industry to protection should be the subject of an enquiry by the Tariff Board. The Board is requested to examine the following questions and to make recommendations :—

(*a*) whether, having regard to the nature and extent of the competition of raw silk from foreign countries, the claim of the sericultural industry to protection has been established ; and

(*b*) if the claim is found to be established, in what form protection should be given and to what extent.

In making its recommendations the Board will take into account all relevant considerations including those stated in parts (*b*) and (*c*) of the Resolution adopted by the Legislative Assembly on the 16th of February 1923. In particular, the Board is requested to consider how its recommendations will affect the handloom weaving industry.

Firms or persons interested who desire that their views should be considered by the Tariff Board should address their representations to the Secretary to the Board.

The Chamber also received a copy of the questionnaire issued by the Tariff Board in connection with its enquiry. The questionnaire was placed at the disposal of members.

COTTON TEXTILE INDUSTRY (PROTECTION) ACT.

ALLOWANCES FOR TARE.

(*See Reports*, 1930, *Vol. I, page* 94 ; 1931, *Vol. I, page* 128.)

It was mentioned in the Chamber's Report for 1931 that the Collector of Customs, Bombay, had forwarded to the Chamber a statement showing the average percentage of tare of piecegoods imported from the United Kingdom and foreign countries and enquired whether the Chamber was agreeable to the following tare allowances :—

(*a*) 4.5 per cent. for United Kingdom goods.
(*b*) 4 per cent. for non-United Kingdom goods.

After consulting the Import Sub-Committee, the Committee informed the Collector that as the imports of British piecegoods were very restricted at the moment they felt that the tests so far made did not represent a fair average of the tare of the goods that were usually imported into Bombay. They added, however, that they were prepared to accept, tentatively, the tare allowances suggested by the Collector but requested him to have further tests made during, say, the following six months and communicate the results to the Chamber.

The Collector of Customs informed the Chamber in January 1932 that after further tests it was found that the average percentage of tare during the previous six months worked out to 5 per cent. for United Kingdom and 4.8 per cent. for non-United Kingdom goods. The styles which were very frequently imported from the United Kingdom were "mulls" and from Japan were " shirting". The total averages for these two styles for the period of one year worked out to 4.8 per cent. and 4.2 per cent. respectively. The Collector

added that he proposed to revise the scale for United Kingdom goods from 4.5 per cent. to 5 per cent. and to retain that for non-United Kingdom goods and enquired whether the Chamber was agreeable.

After consulting the Import Sub-Committee, the Committee informed the Collector that while they considered the proposed tare allowances were more equitable than those previously suggested, they would be obliged if he would cause further investigation to be made in respect of jaconets from the United Kingdom. The tare of this was now shown at 3.8 per cent. against 4.5 per cent. previously, representing a reduction of approximately 15 per cent. The Committee were not aware of so radical a change in the packing of goods from the United Kingdom as was represented by these figures and in this connection they referred the Collector to the tare of the same class of goods imported from other countries which was shown as 5.2 per cent.

Further the figures for drills from countries other than the United Kingdom was now shown as 4.8 per cent. as against 3 per cent. previously. The Committee were not aware that the packing of these goods had been increased to such an extent and added that they would be interested to learn if the packing of drills from Japan had been increased.

The Collector of Customs in replying to the Chamber stated that he had issued instructions to adopt in future the revised scale of allowance agreed to in respect of tare of United Kingdom cotton piece-goods. In regard to "Jaconets," however, he understood that the packing varied from 100 to 300 pieces to the bale. The width and length too were not uniform; they varied from 30"×18 yards to 44"×22 yards. The statistics maintained so far did not include particulars of width and length and it was also possible that all the varieties

might not have been imported in the two periods for which statistics were being maintained. Instructions had, therefore, been issued for the maintenance of complete statistics of the particulars of this article only for a further period of 12 months; if by then it was found that all the varieties were duly represented therein, it would be easier to decide whether or not the existing scale would suffice for jaconets also.

The Collector added that as for " drills", there had been no change in the packing from Japan. It was usually 20 pieces to the bale, the tare varying from 4 to 4.8 per cent. The reason why the average figure for this article in the statement sent to the Chamber was low was that American drills which were included in drills from countries other than United Kingdom, were packed in bales without any hoops and that the proportion of the tare to the gross weight of the bale worked out to 2 per cent. In the last statement, there was an item representing a shipment of this article which brought down the average percentage to 3 per cent.

FURTHER PROTECTION TO THE INDIAN COTTON TEXTILE INDUSTRY.

(*See Reports*, 1929, *Vol. I*, *page* 115 ; 1930, *Vol. I*, *page* 87.)

By the Cotton Textile Industry (Protection) Act, 1930, protective duties were imposed on cotton piecegoods for a period of three years in order to give the cotton mill industry in India temporary shelter against foreign competition. These duties were fixed at a lower rate on piecegoods of British than on those not of British manufacture. By the same Act the operation of the duty imposed by the Indian Tariff (Cotton Yarn Amendment) Act, 1927, was extended for a further period of three years on account of the unfair competition arising from the prevalence of inferior labour conditions

in China. These duties will expire on the 31st March 1933. An assurance was, however, given by Government to the Legislature, when the Cotton Textile Industry (Protection) Bill was under consideration, that before the termination of the three-year period the effect of the duties on the production of cotton piecegoods in India and on the Indian cotton textile industry would be examined in a Tariff Board enquiry.

In a resolution dated the 9th April 1931 the Government of India in notifying that the Tariff Board enquiry should be undertaken stated that since the Cotton Textile Industry (Protection) Act was passed three noteworthy changes had occurred. In the first place the rates of duty imposed on cotton piecegoods under the Act had been raised by two successive Finance Acts, and were at the moment levied at a rate substantially higher than the Legislature found to be necessary to give temporary shelter to the indigenous industry. In the second place, a very large increase had occurred in the imports of piecegoods made wholly or partly of artificial silk, and the duties on such goods had been raised to the rates applicable to goods made wholly or partly of real silk. Finally, the Government of India had decided to discuss at the forthcoming Imperial Conference at Ottawa the question whether Great Britain and India should enter into a trade agreement embodying a preferential tariff regime so designed as to benefit the trade of both countries.

The Tariff Board was requested to examine the following questions and to make recommendations :—

(1) Whether the claim of the Indian cotton textile industry to protection had been established ;

(2) If the claim was found to be established, in what form protection should be given and to what extent:

(3) If it was proposed that protection should be given by means of import duties :—

(*a*) whether the same rate of protection was required against the competition of goods manufactured in the United Kingdom as against the competition of goods manufactured elsewhere ; and

(*b*) what rates of duty were recommended in respect of :—

(*i*) cotton piecegoods,

(*ii*) piecegoods made wholly or partly of artificial silk, and

(*iii*) cotton twist and yarn, according as they were manufactured :—

A. in the United Kingdom,

B. elsewhere.

In making its recommendations the Tariff Board were asked to take all relevant considerations into account including that stated in part (*b*) of the Resolution adopted by the Legislative Assembly on the 16th February 1923 (see Chamber's Report for 1923, Vol. I, page 109). In particular, the Board were requested to consider how its recommendations would affect the handloom weaving industry.

The Tariff Board subsequently issued a questionnaire which was referred by the Committee to a special Sub-Committee consisting of Messrs. L. A. Halsall, J. R. Abercrombie, O. A. Guggenheim, A. L. Hutson and T. M. Zouros.

The replies to the questionnaire recommended by the special Sub-Committee were adopted by the General Committee and forwarded to the Tariff Board. The questions and replies will be found in the Appendices.

Mr. Halsall and Mr. Hutson appeared before the Tariff Board on the 25th August 1932 to give oral evidence on behalf of the Chamber. The President of the Board asked that

the Chamber might assist by advising the Board on four points which are referred to below under the relevant questions in the questionnaire issued by the Board.

The Committee, after consulting the Special Sub-Committee who had originally considered the questionnaire, forwarded the following views to the Tariff Board on the points in question.

Question No. 2.

No. (1)—Comparable Qualities of British and Japanese Piecegoods.

The Chamber had quoted ex-godown prices of a few qualities of Lancashire and Japanese White Shirtings and White Nainsooks and the President took the qualities named as similar. He pointed out that the Japanese were 25 per cent. or so cheaper than the British, and argued that a 5 or 10 per cent. preference to British would merely be "thrown away" and would not serve the purpose of enabling Lancashire to compete (apart from the question of yen depreciation).

In response to the President's request for further information concerning the prices of Lancashire piecegoods which were similar in texture to Japanese make the Chamber furnished a list of other somewhat similar qualities of Japanese and British piecegoods.

Question No. 7.

No. (2)—Comparative Freights.

The Chamber had quoted steamer freights from Glasgow, Manchester and Japan to various Indian ports per ton of

40 cubic feet and the Board asked if it would be possible to calculate what these freights would come to per lb. or per maund of cloth in respect of a few representative classes of piecegoods.

This information was also forwarded to the Board.

Question No. 39 (1).

No. (3)—*Specific Duties.*

During the hearing of oral evidence the President of the Tariff Board suggested that the most certain method of ensuring to the Mill Industry the protection intended, particularly on a falling market, was by specific duties rather than by *ad valorem* duties. The Chamber's representatives agreed that this was so. The President then said that one great difficulty with which the Board was faced, if it were decided to recommend any specific duties, was to fix the basis on which they should be levied, *viz.*, whether per lb. or on apparent counts, etc.

The Committee considered the possibility of devising suitable classifications for specific duties and they expressed the opinion that there were two possible bases (*i*) area and (*ii*) weight. They considered that of the two the former was preferable because it provided the Customs authorities with more reliable data on which to assess the duty, inasmuch as it might reasonably be assumed that the quantity charged for in the invoice was the quantity actually supplied. Moreover the area, as defined by the dimensions stated in invoices, must be accurate, otherwise there was an infringement of the Indian Merchandise Marks Act.

The Committee adhered to the opinion that a scientific tariff of specific duties with numerous sub-classifications

would be so complicated and would give rise to so many border-line cases as to make such a tariff unworkable without a very costly appraising staff. If therefore specific duties were considered desirable the Committee thought that they should be based on a broad classification and they suggested for consideration the following :—

(*a*) Plain Greys, (details as per serial No. 120 of the Import Tariff).

(*b*) Grey Dhooties, Scarves and Sarries, that is to say, not bleached or dyed in the piece and which do *not* contain any length of more than nine yards without transverse woven headings.

(*c*) White goods, bleached in the piece.

(*d*) Dyed goods, dyed in the piece.

(*e*) Printed goods.

(*f*) Artificial silk goods.

(*g*) Cotton and artificial silk mixtures containing more than 15 per cent. artificial silk.

Question No. 41.

No. (4)—*Tariff on Yarns.*

The President asked that the Chamber should reconsider its answer to this question in which was recommended a reduction in duty of yarn of 50s. and over to one anna per lb. or 5 per cent, *ad valorem* whichever was the greater.

The Committee gave this question further consideration and they expressed the opinion that a protective duty on low count yarns was necessary in the interest of the Indian Mill Industry. They saw no reason to alter their recommendation unless it could be shown that the Millowners were charging excessive prices on low count yarns.

ANTI-DUMPING LEGISLATION.

The Bombay Millowners' Association in July 1932 forwarded to the Chamber a copy of a representation that they had submitted to the Government of India urging that additional import duties should be imposed to counteract the depreciation of the Yen.

The Committee in addressing the Government of India, Department of Commerce, in support of the Bombay Millowners' representation urged that the question should be referred to the Tariff Board for immediate enquiry. The Committee expressed the hope that the Tariff Board would be requested to report at the earliest possible moment and that on receipt of the Tariff Board's report Government would take such emergency measures as appeared to be indicated. The Committee suggested further that the report of the Tariff Board might form the basis for an immediate enquiry into the general effect on Indian industries of depreciated currencies with special reference to the marked decline in the Yen. In the opinion of the Committee the matter was one of the greatest urgency.

On the 11th July 1932 the Commerce Member and Finance Member of the Government of India received in Simla a deputation consisting of representatives of the textile industry in Bombay, Ahmedabad, Calcutta, Cawnpore, etc., and of the Bombay, Bengal and Upper India Chambers of Commerce and the Bengal Hosiery Manufacturers' Association. This Chamber was represented at the Conference by the President, Mr. R. R. Haddow and Mr. L. A. Halsall.

The Committee subsequently addressed the Government of India on the question and drew attention to the urgent necessity for the introduction of some form of anti-dumping

legislation which would empower Government to take prompt executive action to protect all indigenous industries which might be adversely affected by abnormal importations from any particular country or countries due to depreciated exchanges, etc. The Committee drew particular attention to the imports from Japan of cement, boots and shoes, paper, paint and silk. The Committee pointed out that although at the moment protection was required only against Japan, the necessity for similar protection against imports from other countries might arise in the future and it was therefore highly desirable to make the proposed legislation as comprehensive as possible by providing anti-dumping and exchange equalisation measures to apply to all countries. The full text of the Chamber's letter to the Government of India will be found in the Appendices.

As a result of the representations that were made the Government of India in August 1932 increased the import duty on plain grey cotton, piecegoods, not of British manufacture, from 20 per cent. *ad valorem* or 3½ annas per lb. whichever was higher to 50 per cent. *ad valorem* or 5¼ annas per lb. whichever was higher, and on other cotton piecegoods not of British manufacture, from 20 per cent. to 50 per cent. *ad valorem.*

In September 1932 the Committee drew the attention of the Government of India in the Commerce Department to a tariff anomaly which had arisen as a result of the increased duties on piecegoods not of British manufacture. The Committee pointed out that serial No. 125 of Schedule II of the Indian Customs Tariff provided that silk or artificial silk mixtures were assessable to duty at 34⅜ per cent. *ad valorem.* It was, in their opinion, clearly anomalous that while cotton

piecegoods (from foreign countries) now paid 50 per cent. duty and artificial silk goods the same, cotton and artificial silk mixtures should only be chargeable at 34⅜ per cent. Moreover, it made evasion a fairly easy matter. The Committee considered that this was a position which required adjustment at the earliest possible moment.

The following resolution was submitted by this Chamber and adopted unanimously at the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 9th and 10th January 1933 :—

" This Association is of opinion that legislation should be initiated without any delay empowering the Government of India to take prompt executive action, as and when necessary, subject to subsequent ratification by the legislature, to protect indigenous industries against imports of goods from foreign countries which, by reason of depreciated exchanges, bounties, subsidies or other artificial circumstances, may be sold in India at prices which will be detrimental to an indigenous industry."

PREFERENTIAL TARIFF ON BRITISH PIECEGOODS.

(*See Report*, 1930, *Vol. I, page* 90.)

A member in November 1932 enquired whether the Committee would see their way to making a representation to the Government of India with a view to the extension of the tariff preference enjoyed by British piecegoods proportionately to such piecegoods as were manufactured, dyed or bleached and finished in the United Kingdom but subsequently embroidered in Switzerland.

After consulting the Import Sub-Committee the Committee informed the member that they confirmed the view expressed by the Chamber in 1930 (see Report for that year, Volume I, page 90). The Committee added that they consi-

dered that it was not possible to favour the Swiss embroiderer and not the Dutch bleacher, the Italian printer, etc., and they endorsed the opinion of the Government of India that the general principle must be that the whole process of manufacture should have been carried out in the United Kingdom in order that the goods might qualify for admission into India at the lower rate of duty.

THE IMPERIAL ECONOMIC CONFERENCE, OTTAWA

The Imperial Economic Conference was held at Ottawa in July 1932, when India was represented by Sir Atul Chatterjee (Leader) and Mr. R. K. Shanmukham Chetty, Sir Padamji Ginwalla, Seth Haji Abdoola Haroon, Sahibzada Abdus Samad Khan and Sir George Rainy (Members).

In April 1932 the Government of India asked the Chamber to furnish them with any proposals or suggestions which it desired to be brought specially to the attention of the Indian delegation.

The Committee, after consulting members, informed the Government of India that a very large majority of the members who had expressed their views were in favour of a tariff agreement being entered into between Great Britain and India. This approval of the general principle was, of course, subject to the condition mentioned by Sir George Rainy in the Legislative Assembly, *viz.* that if a trade agreement should be recommended as a result of the discussions, no tariff changes would be made unless the Legislature was satisfied that they were clearly in the interests of India.

Owing to the complicated nature of the question and the limited time at their disposal the Committee felt that it was

impossible to discuss in detail all the implications of a tariff and they were content to leave the discussion to the experts from each country attending the Conference. The Committee were of the opinion, however, that preferential treatment need not be confined to commodities wholly the product of either India or Great Britain and that following the principle which already existed in certain Dominions a percentage of the final value might be sufficient to bring commodities within the sphere of mutual preference.

The Government of India in a press communique issued on the 20th of August 1932 announced that a trade agreement had been reached between His Majesty's Government in the United Kingdom and the Government of India and would be placed before the Indian Legislature for approval. If approved, the Government of India proposed to invite the Legislature to pass the necessary legislation to give effect to the agreement.

Copies of the report of the Indian delegation including the trade agreement between His Majesty's Government in the United Kingdom and the Government of India were received by the Chamber on the 26th October 1932 and members were notified accordingly and were also requested to let the Committee have their views on any points arising out of the report and the agreement.

The report was referred to a special Sub-Committee consisting of Messrs. L. A. Halsall, A. McIntosh and J. R. Abecrombie who stated that they found it quite impossible to study the report and the agreement in any detail in the time at their disposal. They therefore restricted their comments to the broad issue of merits of a preferential agreement as such. They stated that it should be frankly recognised

that much of the opposition to the agreement was political, and so long as the present tension existed, it was most unlikely that the merits of the case would be discussed free from political bias. The Sub-Committee therefore endeavoured to ignore the political aspect and to consider the agreement entirely from an economic and commercial point of view. They were of opinion that it was in the interests of the Chamber and Indian trade in general, that commerce should be as free as possible from every form of trade restriction. They felt that in recent years the whole tendency had been towards raising tariff barriers. The question was becoming of more importance to India since the change in the United Kingdom fiscal policy which had led to the imposition of import duties on a wide scale with a scheme of reciprocal preference within the British Empire. It appeared that this represented an endeavour to mitigate the evils of economic nationalism by extending the area of common interest and mutual progress.

This being so the main question was whether India should isolate herself as regards tariff policy or join in a larger scheme designed ultimately to embrace the whole of the British Empire. In the Sub-Committee's opinion, the Indian delegation were right in taking the view that it was to the interests of India to conclude an agreement with the United Kingdom. The Sub-Committee were in substantial agreement with the main arguments advanced by the delegation in their report.

The report of the Sub-Committee was adopted by the General Committee of the Chamber who telegraphed a summary to Sir Leslie Hudson, the representative of the Bombay European Constituency in the Legislative Assembly, for

his information and copies were forwarded to the other members of the European Group in the Legislature.

The agreement came up for discussion in the Legislative Assembly at its session held in November 1932 at Delhi and was referred to a Special Committee.

In the meantime the Committee of the Chamber received copies of the Government of India's proposals for the amendment of the Indian Tariff Schedule in accordance with the Ottawa Agreement. They were placed at the disposal of members who were requested to favour the Committee with their views on the proposals.

Government's proposals together with the points put forward by members in connection therewith were then referred to the special Sub-Committee of the Chamber who, in their report to the Committee, stated that in view of a Notification in the Gazette of India, which specifically stated that it was the rates of duty which the Legislature had to consider, the Sub-Committee had confined their attention mainly to those rates and had not examined in great detail the articles included in or excluded from the new tariff proposals. As regards the alterations in the rates of duty which were proposed in order to implement the agreement, the Sub-Committee had no objection to raise and recommended that the Committee should signify their acceptance of these *in toto*.

The Sub-Committee were not clear as to whether detailed discussion of the classes of articles to be included in the Tariff Bill would be permitted then, *i.e.*, while the Select Committee was dealing with the Bill, or at a later stage. The Sub-Committee drew the attention of the Committee to some instances

in which it appeared to them that the inclusion or exclusion of certain articles was somewhat of an anomaly and to one instance (copper braziers) in which the Sub-Committee thought the definition required clarification. The Sub-Committee suggested that this might be brought to the attention of the European Group in the Assembly, in case any discussion of such details was permissible then or at a later stage. The report of the Sub-Committee was adopted by the Committee and copies were forwarded to members of the European Group in the Legislature for their information.

On the 7th December 1932 a Bill to amend the Indian Tariff Act was introduced in the Legislative Assembly. In the statement of objects and reasons attached to the Bill it was mentioned that the trade agreement made at Ottawa on the 20th of August 1932 and the supplementary agreement relating to iron and steel made on the 22nd September 1932 by the Government of India and His Majesty's Government in the United Kingdom involved amendment of the Indian Tariff Act for certain purposes. The Bill gave effect to the necessary changes in the Act.

The Bill was referred to a Select Committee whose report was presented to the Legislative Assembly on the 12th December 1932. The Bill was passed by the Legislative Assembly on the 15th December, and by the Council of State on the 19th December. It received the assent of the Governor-General on the 24th December 1932 and came into force on the 1st January 1933. A copy of the Bill as finally passed together with the Select Committee's report and the Rules issued by the Government of India under the Bill will be found in the Appendices.

THE OTTAWA CONFERENCE.

Imported Copper and Brass.

The Associated Chambers of Commerce of India and Ceylon in September 1932 forwarded to the Chamber a copy of a letter that had been received from the Madras Chamber in which the latter drew special attention to the preferential duty to be levied on imported copper and brass as a result of the trade agreement at Ottawa. The Madras Chamber stated that in the copper and brass trade it was the custom that a certain amount of business was done on the basis of either specifically "British or German make" or generally "a.g.b." (any good brand). The Chamber drew attention to the fact that shippers who were tendered any non-British metal would, in the event of the ratification of the preferential duty, be penalised to the extent of the extra duty, while shippers who quite fortuitously were tendered a British metal would be correspondingly advantaged, it was suggested that it was inequitable that on the same contract certain parties might be penalised and others benefited for reasons beyond their control.

The Madras Chamber added that when fuller details of the trade agreement were available other anomalies would come to light which would require correction, but as the implications of the suggested preferential duty were, in the case of imported copper and yellow metal, clear and immediate, the Chamber suggested that the Association might take this matter up with Government and recommend that *bona fide* contracts entered into prior to a specified date should be exempt from the extra duty as was done in the case of the Wheat Import Duty Bill in 1931.

It was further suggested that if this met with the approval of the Association, its representative in the Assembly might be asked to bring the matter to the notice of the Legislature.

After consulting the Import Sub-Committee the Committee informed the Associated Chambers that they regretted they could not see their way to supporting the Madras Chamber's proposal, because this would destroy the whole object for which the Ottawa agreement was concluded. In this case importers would receive plenty of notice of any preferential duties coming into force, because before this could happen the Ottawa agreement had to be ratified by the Assembly and that was unlikely to be done with undue haste.

The Chamber was subsequently informed that the President of the Associated Chambers had intimated to the Madras Chamber that in view of the divergence of opinion of the Chambers in the matter it was not possible for him to take any action.

THE OTTAWA CONFERENCE.

Export of Pig Iron and Import of Galvanised Iron Sheets.

The attention of the Committee was drawn in May 1932 to the fact that large quantities of Pig Iron were being exported from India to Great Britain at prices below the actual home prices and it was assumed that this had only been made possible by reason of the protection that the Indian iron and steel industry received in other directions. Before taking any steps in the matter the Committee asked the Tata Iron and Steel Co., Ltd., to favour them with their views on this

aspect of the question. In this connection the Committee referred to an interview that a newspaper representative had with Sir Padamji Ginwalla published in the *Times of India* of the 3rd May 1932 at which Sir Padamji was alleged to have stated that he hoped that as a result of the Ottawa Conference a scheme would be evolved whereby India would supply not only pig iron but semi-finished steel to Britain, in exchange for finished steel which India, for a considerable time, would not be able to produce and market economically.

The Tata Iron & Steel Co., Ltd., in reply pointed out that it could not properly be argued that the export of pig iron from India, whether to Great Britain or to other countries, had only been made possible by reason of the protection which the iron and steel industry received in other directions. It was stated that the pig iron industry had never been protected nor had any of the manufacturers of pig iron in India ever applied for protection.

Attention was drawn to the fact that the greater part of the exports of pig iron from India in recent years had been made by the Indian Iron and Steel Co., which was not in any way concerned with steel manufacture and which did not receive protection in any form. It was contended therefore that the assumption which appeared to have been laid before the Committee in connection with the export of pig iron from India was incorrect.

Early in November 1932 the Associated Chambers of Commerce of India forwarded a copy of a telegram that had been received from the Burma Chamber in which the latter drew attention to paragraph 85 of the Report of the Indian Delegation to the Ottawa Conference which appeared

to contemplate conferring on Messrs. Tatas a monopoly of the sale in India of galvanised iron sheet manufactured in the United Kingdom from Indian bar and enjoying a preference of Rs. 23 over other United Kingdom galvanised sheets and Rs. 53 over all others. The Burma Chamber considered that this suggestion should be resisted and asked that the views of constituent Chambers might be obtained.

The Committee after consulting the members of the special Sub-Committee which considered the Report of the Indian Delegation to the Ottawa Conference informed the Associated Chambers that the question was essentially a trade one and they therefore preferred to leave it for discussion and/or protest until after the Ottawa Agreement was confirmed or rejected by the Legislature.

BAMBOO PAPER INDUSTRY (PROTECTION) ACT, 1925.

(*See Reports*, 1924, *Vol. I, page* 190 ; 1925, *Vol. I, page* 137).

Under the Bamboo Paper Industry (Protection) Act, 1925, protective duties were imposed on certain kinds of paper in order to develop the manufacture in India of paper from bamboo. These duties expired on the 31st March 1932 and before that date it was necessary that an enquiry should be held in order to ascertain how far the Act had achieved its purpose and whether the continuance of protective measures beyond that date was desirable. The Tariff Board was therefore requested by the Government of India in March 1931 to examine the question and to consider what protective measures (if any) should be continued after the 31st March 1932.

In its report the Tariff Board recommended that the protective duties imposed on certain printing paper and

writing paper by the Bamboo Paper Industry (Protection) Act, 1925, and the Bamboo Paper Industry (Protection) Act, 1927, should be continued and, in addition, that a protective duty of Rs. 45 a ton should be imposed on imported pulp in order to further the development of bamboo paper by offering a direct incentive for the manufacture of bamboo pulp. The Board further recommended that these protective duties should remain in force for a period of seven years.

The Government of India accepted these recommendations and introduced a Bill in the Legislative Assembly to give effect to them. The Bill was referred to a Select Committee on the 7th February 1932. The Select Committee made no amendments in the Bill which was passed by the Legislative Assembly on 24th February 1932.

CERTIFICATES OF ORIGIN FOR GOODS SHIPPED FROM "BRITISH INDIA."

The Chamber in September 1932 received a number of enquiries from members as to whether for the purposes of the British preferential tariff "British India" was held to include the whole of India, excluding French and Portuguese India but including the Native States. The question was informally discussed with the Hon'ble Sir C. P. Rama Swamy Iyer, Acting Commerce Member of the Government of India, when he visited the Chamber in August 1932 and the Committee subsequently addressed the Commerce Department officially and asked if they might be favoured with a clear definition of "British India" for purposes of certificates of origin, which had to be furnished in respect of exports from India to the United Kingdom, in order to obtain the benefit of the British preferential tariff.

The Government of India in reply informed the Chamber that His Majesty's Government in the United Kingdom had been addressed in the matter.

THE INDIAN TARIFF ACT.

Applicability to Native States in India.

In August 1931 a member enquired of the Committee as to the extent to which the Indian Tariff Act and its modifications were applicable to Native States.

The member's case was that they had received a contract from a Native State against a rupee tender F.O.R. Bombay. The prices quoted in the tender were based on the rate of import duty prevailing at the date of the tender, but nothing was stated in the tender regarding any increase or decrease in price to cover fluctuations in the rate of import duty. The material contracted for was imported through British India and the suppliers had to pay the increased duty levied under the Indian Finance Act, 1931. The suppliers endeavoured to obtain from the State the excess amount of duty paid, in accordance with the provision of Section 10 of the Indian Tariff Act, but were informed by the State that the latter were not bound in any way by the Indian Tariff Act.

The Committee enquired of the Government of India as to whether the State were correct in their contention. The Government of India suggested that legal opinion should be consulted in the matter. The member acted on this suggestion and as there appeared to be some doubt on the legal side as to the application of section 10 of the Indian Tariff Act to Native States the member endeavoured to have the case dealt with on grounds of equity with a view to establishing a precedent which might perhaps have the effect

of inducing other Native States to accept the provisions of Section 10 of the Tariff Act as applicable to themselves.

The Committee were subsequently informed that the State had agreed that the member's claim should be met and that the principles laid down by the Government of India in Section 10 of the India Tariff Act should be followed.

INCREASE IN CUSTOMS DUTY ON MATERIALS REQUIRED FOR A BUILDING CONTRACT.

In January 1932 a member informed the Chamber that in connection with the construction of a building for the company in the Federated Malay States the contractors had asked the company to meet the increased import duties imposed on materials used in the construction of the building subsequent to the date on which the increase took effect, the contract having been completed prior to such date, and they claimed that they were entitled to this under an amendment of an enactment of the Federated Malay States having reference thereto, the wording of which was as follows:—

"Where any new Customs import duty is imposed or where any Customs duty is increased, and any goods in respect of which the duty is payable are delivered after the day on which the new or increased duty takes effect, in pursuance of a contract made before that day, the seller of the goods may in the absence of agreement to the contrary, recover as an addition to the contracted price, a sum equal to any amount paid by him in respect of the goods on account of the new duty or increase of duty, as the case may be."

The member stated that their solicitors were unable to help them much in coming to a decision as to whether the company was liable to meet the increased Customs duties or not, although they thought that in the case of a contract

to build, the contractors and the owners of the building did not bear the same relation to each other as sellers and buyers as was presumed in the wording of the above amendment and that therefore the Company was not liable to meet such new or increased import duties. The member enquired whether the Chamber was able to refer them to any decision by arbitration or otherwise dealing with the point.

The Committee in reply stated that as far as they were aware no parallel case in the past had been brought to the notice of the Chamber and they suggested that the matter was perhaps one that should be settled by arbitration.

CUSTOMS DUTY ON ELECTRIC POWER HOUSE MACHINERY.

The views of the Chamber were asked by the Associated Chambers of Commerce of India and Ceylon in January 1932 in regard to the following question.

An electric power concern had under construction *ex* India, machinery for an extension to their existing plant and also for a new electric supply undertaking. For both of these works the necessary licences had been obtained in advance from Government wherein was fixed the maximum rate which could be recovered by the company from the public for the supply of electricity for domestic and industrial requirements. These rates had been fixed by the Government on the basis of the cost of the machinery amongst other factors. When the licences were obtained there was no import duty leviable on most of the necessary machinery, such as prime movers, generators, switch gear and line construction gear but now that an import duty of 10 per cent. had been levied the licensees were unable to cover

the increased capital cost by demanding from the public an increased rate per unit for energy. It was pointed out that in this respect an electric power undertaking was not in the same position as a normal trading concern which could cover any increased customs duty by raising the sale price of the goods so affected.

It was therfore suggested that the Government of India might be urged to allow plant for electric power undertakings which was under construction at the time the revised Customs Duties were brought into force, to enter India at the rate of import duty in force at the time the order was placed.

The President of the Associated Chambers had enquired of the Chamber which raised the question whether any representation had been made to the Government for permission to vary the rate of charge to the public as fixed in the licence of the concern. He thought that this was the direction, in which action should first be taken before making an application to Government for the exemption of any particular materials from the duty imposed in the Emergency Budget, for it seemed to him likely that Government would reply that it would be a matter of extreme difficulty to make exceptions, so far as import duty was concerned, in favour of a particular class of materials.

The President was informed in reply that no application had been made to the Government on the above lines for the reason among others that owing to the unavoidable heavy cost of generating the electric energy the rates were already high and the company was loath to approach Government to increase the unit rate.

The Committee in reply informed the Associated Chambers that, notwithstanding the reasons advanced by the Company,

they agreed with the President that the Company should apply to Government for permission to vary the rate of charge to the public as fixed in their licence.

The Committee were subsequently informed that the President of the Associated Chambers had intimated to the Northern India Chamber that the constituent Chambers were of opinion that the case put forward by the Northern India Chamber was not one which could be very well taken up by the Association. The opinion had been generally expressed by the Chambers that the member of the Northern India Chamber or the Chamber itself, should approach the local Government for permission to import the machinery at the old rates of duty, advancing, in support of the representation the reasons given by the Northern India Chamber in their letter to the Association; alternatively, the electric supply undertaking might ask to be allowed to increase their rates to the public to compensate them for the additional outlay they had incurred.

EXCESS CUSTOMS CHARGES AT KARACHI.

A member in February 1932 drew the attention of the Committee to the fact that they had had considerable difficulty with the Customs authorities in Karachi in that they almost invariably charged duty at a higher rate than was applicable, and unless the member was prepared to run the risk of incurring extra dock charges while the matter was being argued out with the Customs, duty had to be paid at the higher rate without prejudice and an application made for a refund with a full statement of their case. This, it was pointed out, involved considerable delay and, particularly in the case of Government contracts, large sums of money were often held

up in consequence as it was not possible to obtain payment from Government until the third copy of the relative bill of entry was produced with the invoice. The member enquired whether it would not be reasonable for interest to be paid on money so held up.

The matter was referred to the Karachi Chamber who obtained the opinion of a member of that Chamber who had special knowledge of the subject. This member stated that they had been compelled in many instances to pay duty at a higher rate under protest in order to avoid extra demurrage, etc. It was exceptional in such cases for refunds, when the assessment was proved to be incorrect, to be paid within three months but this delay was not necessarily due entirely to the Customs. The member added that they saw no reason why Government should not accept a certificate on stamped paper signed by the Customs authorities, certifying the amount of duty paid. Such certificates would cost the Importer Rs. 2 only and could be obtained within 10 days of the date of payment of the duty. The triplicate copy of the Bill of Entry would thus still be available for submission with the claim for refund of the excess duty charged.

The member who had originally addressed this Chamber was informed accordingly.

SECTION 30 OF THE SEA CUSTOMS ACT.

A case of considerable interest to importing houses was decided by the Judicial Committee of the Privy Council in April 1932. The case arose out of a dispute between the Vacuum Oil Co. and the Customs authorities at Bombay in regard to the assessment of the former's machinery lubricating oils to duty. The contention of the Customs authorities was

that in terms of the statute "the real value" of the Vacuum Oil Company's oil was its "wholesale cash price" referred to in section 30 (a) of the Sea Customs Act, a price ascertainable, so it was said, without difficulty. To this the answer of the Vacuum Oil Company was, that in view of the unique character of their machinery oil and of the invariable course of business pursued by them in relation to its sale, the oils being sold by them direct to consumers, a "wholesale cash price" for that oil had never existed and was not ascertainable and that accordingly its real value must, for the purpose of duty, be determined in accordance with section 30 (b) of the statute. The point at issue was whether the price charged and received by the Vacuum Oil Co. was within the meaning of the words in section 30 "a wholesale cash price less trade discount for which goods of the like kind and quality were sold or were capable of being sold at the time and place of importation". When the case was first decided in the Bombay High Court the learned trial Judge held that it was not. In his view the word "wholesale" used as it was in connection with the words "trade discount" and "cash price" indicated a sale to persons in the trade for re-sale and not a sale to a consumer direct; nor, as he thought, did the words "cash price" cover the Vacuum Oil Company's sales which were credit sales.

The Bombay High Court on appeal took a different view of the Statute and reversed the judgment. The question was taken to the Privy Council who allowed the appeal, discharged the decree of the Bombay Appellate Court and restored the original judgment.

A member in May 1932 informed the Committee that he had addressed the Collector of Customs in regard to the assessment of goods to duty under section 30 of the Sea Customs Act with particular reference to the Privy Council judgment

in the appeal by the Vacuum Oil Co., and had suggested that his firm should be permitted to import goods paying duty on the invoice price instead of on the contract price less the duty.

The Collector of Customs had replied to the member that he had received no official intimation regarding the findings of the Privy Council and that he was not prepared to vary the present practice.

The Committee in replying to the member said that they understood that if an importer was able to show that the method of disposing of his goods was strictly analogous with that employed by the Vacuum Oil Co., in handling their machinery lubricating oils, that is, that the whole of the imports were sold direct to the consumer without the intermediary of a middleman, the Custom authorities would be prepared to allow the goods to be assessed under section 30 (*b*). That did not necessarily mean that they would accept the invoice value of the goods ; for, in the case of large manufacturing concerns selling their products through agents in this country, the invoice price might represent a purely fictitious value for book-keeping purposes only. Before accepting the invoice value the Customs authorities must satisfy themselves that it represented the true landed cost.

SOAP.

Assessment to Customs Duty.

In view of representations that were made to the Chamber in regard to the method of assessment for Customs duty purposes of the various qualities of soap imported into Bombay the Committee in April 1932 addressed the Collector

of Customs and enquired what was the correct ruling in this regard and whether this ruling had been adopted in all cases. They added that, if the reply to the latter enquiry was in the negative they would be glad to know the grounds for such a differentiation.

The Collector of Customs in reply stated that some soaps were assessed under section 30 (*a*) and others under section 30 (*b*) of the Sea Customs Act. He pointed out that there was no question of a 'ruling' in the matter, but that it was a question of fact whether or not a wholesale cash price was ascertainable at the time of importation for soap of the like kind and quality.

For the information of the Committee the Collector gave a list of the principal makes or brands of soap which were assessed at the moment under section 30 (*a*) of the Sea Customs Act and stated that it was obvious that if at any time a wholesale cash price for any of these was not ascertainable to justify their assessment under clause (*a*), they should be assessed on their c.i.f. cost under clause (*b*) of section 30 of the Sea Customs Act.

The Committee in again addressing the Collector suggested that the list was not complete, and that consideration might be given to the desirability of enlarging it in order to obviate differentiation as regards assessment to customs duty between importers of equally well-known brands.

The Collector of Customs subsequently informed the Chamber that he had extended the list of brands of soap for which a market value was ascertainable and which would in consequence be assessed to duty under section 30 (*a*) of the Sea Customs Act.

INSECTICIDE.

Assessment to Customs Duty.

A similar question to the one referred to in the previous item arose in July 1932 in regard to insecticide and the Committee in addressing the Collector of Customs expressed the opinion that there should be no differentiation in the method of assessing duty on any of the various brands of insecticide and that when invoice value was departed from in favour of market value, the change should include all the competing brands of the same commodity.

The Collector of Customs in reply stated that the issue appeared to be whether the various brands were goods of like kind and quality and he enquired as to whether there was substantial agreement on that point on the part of the various importers.

In replying to the Collector of Customs the Committee said that while they had not consulted importers other than the member who had complained in the first instance, it would appear that if the various brands of insecticide were used for the same purpose they should be assessed on the same basis. Every importer was bound to claim that his goods were of better quality than others, and the Committee suggested that consideration might be given to the view that two products, though not precisely the same, were sufficiently similar to justify avoiding the discrimination that would result from assessing one on landed cost and the other on wholesale market value.

The Collector of Customs in reply stated that the assessment of articles on the basis of market value under section 30 (*a*) of the Sea Customs Act, was dependent on whether

or not a wholesale cash price was consistently and easily ascertainable for them. The fact that an article was similar to or was used for the same purpose as another which was assessed on market value could not qualify it for assessment under section 30 (*a*), unless the aforementioned condition was satisfied.

In this connection the following resolution was submitted by this Chamber and adopted unanimously at the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 9th and 10th January 1933 :—

" This Association invites the attention of the Government of India to the increasing tendency of the Customs authorities to assess goods to duty on " market values" under sub-section (*a*) of section 30 of the Sea Customs Act rather than on " landed cost" under sub-section (*b*), and is of the opinion that Customs officers should be instructed to exercise the greatest care to ensure that sub-section (*a*) shall be applied only in the case of staple articles the prices current for which, if not a subject of daily publication in the press, are generally known and readily ascertainable".

DUTY ON IMPORTED RAW COTTON.

(*See Report*, 1931, *Vol. I, page* 113.)

The Committee in March 1932 invited the attention of the Government of India to the fact that imports of raw cotton were being diverted from Bombay to Bhavnagar which was offering importers exceptional facilities, such as free storage for prolonged periods, low rates of interest on advances against cotton, free insurance and very low railway freight.

The Committee pointed out that this diversion was largely attributable to the fact that Bhavnagar State was

benefiting through being able to receive the entire Customs duty on the cotton imported. It was computed that during the current season fully 100,000 bales of raw cotton chiefly from East Africa, which would in normal circumstances have reached British India through the port of Bombay, would be landed at Bhavnagar. In addition, it was understood that the increase in revenue accruing to the State had decided the authorities to arrange for special fumigation plant at Bhavnagar so that American cotton could also be dealt with at that port.

The matter was a most serious one not only for the Government of India but also for Bombay as if the existing conditions were allowed to continue the prosperity of this city was likely to be seriously affected. The Committee understood that already merchants carrying on business in Bombay had been compelled to open establishments in Bhavnagar.

It was maintained that the special facilities referred to above could only be given owing to the unique treaty rights enjoyed by Bhavnagar State and further, that unfair advantage was being taken of these rights to encroach upon the revenue of the Government of India. If, as was presumed, action could not be taken by the withdrawal of these rights, the Chamber urged that immediate steps should be taken for removing the duty on imported cotton as it was felt that the existence of this duty was mainly responsible for the serious loss of trade. It was true that possibly the unsettled conditions in this city might also be a contributory cause, but this, the Committee considered, was a secondary and not a serious factor.

It was appreciated that the importation of other goods was also being diverted but not to the same extent as cotton

and the facilities offered in respect of other commodities could hardly be maintained were it not for the proceeds derived from the duty on cotton.

The Committee added that there were of course other grounds for the withdrawal of this taxation but they did not think it necessary to stress them as it was felt that the foregoing considerations were a sufficient justification for this matter receiving Government's immediate and sympathetic consideration.

In May the Committee submitted a joint representation with the Committee of the Bombay Millowners' Association to the Government of India on the same question.

In the joint letter it was stated that since the Chamber had addressed Government the question had again received the earnest consideration of the Millowners' Association and the Chamber and they thought that if Government could not see their way, owing to the existing financial situation, to forgo the revenue they received from the duty, other ways and means should be considered by which the Government of India could still receive the same amount of revenue as they got from the imported cotton while the trade of Bombay would not be handicapped by the competition of Bhavnagar port.

After a careful consideration of all the pros and cons of the question, the Millowners' Association and the Chamber were of the opinion that it would be advisable to abolish the Customs import duty on raw cotton and substitute therefor a consumption tax of the same amount on all imported cotton used by mills in British India and in Indian States. This consumption tax would be collected by a method similar to that adopted for the collection of the cess on Indian cotton, and the cost of collection would be negligible. Enquiries made

showed that there would be no difficulty in diffe entiating between Indian and imported cotton at the mills or in checking arrivals at the mills.

The adoption of the above proposal would, in the opinion of the Millowners' Association and the Chamber, effectively serve the dual purpose of protecting the revenues of the country and preventing any great diversion of trade from Bombay to Bhavnagar.

The Millowners' Association and the Chamber expressed a hope that the proposal would receive the earnest and immediate attention of the Government of India and that very early action would be taken to carry it into effect.

In July the Bengal Chamber also addressed a representation to the Government of India pointing out that owing to the facilities in the way of free clearance and free warehousing offered to importers at Bhavnagar, goods manufactured on the Calcutta side, which formerly went by rail to Ahmedabad, Rajputana and Central India, were no longer able to compete in those markets with foreign goods imported by sea *via* Bhavnagar.

The Government of India in replying to the joint representation from the Chamber and the Millowners stated that the proposal was fraught with various difficulties and obstacles of a serious character. After a full examination of the question they had found it impossible for them to take the course suggested.

CUSTOMS DUTY ON CATTLE DIP.

(*See Report* 1931, *Volume I, page* 123.)

It was noted in the Chamber's Report for 1931 that the Committee in addressing the Government of India in

connection with the duty on cattle dip had expressed a hope that in the general interests of the country Government would see their way to removing the duty. The Government of India, however, informed the Chamber in March 1932 that they regretted that in the existing financial circumstances Government were unable to consider any extension of the free list of the import tariff schedule.

IMPORT DUTY ON ASBESTOS CEMENT PRESSURE PIPES.

Towards the end of 1931 a member asked for the Chamber's support to a representation that they had addressed to the Government of India suggesting that as asbestos cement pressure pipes came into competition with iron and steel pipes and in view of the fact that their use was almost exclusively confined to public services, the Customs duty charged on the former should not be higher than that on the latter. The duty on asbestos cement pressure pipes at that time was 25 per cent. *ad valorem* while that on iron and steel was 15⅝ per cent. The Government of India had declined to accede to the member's request.

The Committee felt, however, that unless it could be shown that the claim for reclassification of asbestos cement pressure pipes was strongly supported by consumers generally it would be difficult to induce the Government of India to reverse their decision and that to do so would open the door to a number of other special cases. In addressing the member to this effect the Committee pointed out that the Indian Customs tariff was arranged with two purposes in view, *viz.*, to raise revenue and to give protection to Indian industries. The member's request might be interpreted as a claim

that the use to which an article was put should be taken into consideration in arranging the tariff. The Committee mentioned that it was true that this was already done in certain rare instances, chiefly in the interests of public health, but the extension of the principle would, in their opinion, lead to complications and as already stated open the door to a number of other special cases.

LANDING CHARGES.

CONVENTIONAL RATE FOR CUSTOMS DUTY PURPOSES.

(*See Report* 1927, *Vol. I, page* 122.)

The Collector of Customs, Bombay, in November 1932 informed the Chamber that with effect from 15th November 1932 the rate of landing charges would be calculated at $\frac{7}{8}$ per cent. instead of at $\frac{3}{4}$ per cent. for purposes of assessment of real value of imported goods under section 30 (*b*) of the Sea Customs Act.

IMPORT OF SUBSTANCES OF A LIKE NATURE OR USE TO SACCHARINE.

(*See Report* 1931, *Vol. I, page* 103.)

The following Notification was issued by the Department of Commerce of the Government of India on the 19th March 1932 :—

In pursuance of item 34A of Schedule II to the Indian Tariff Act, 1894 (VIII of 1894), the Governor-General in Council is pleased to direct that the following amendment shall be made in the notification of the Government of India in the Department of Commerce, No. 155-T (3), dated the 18th July 1931, namely :—

After entry (8) in the list of substances set forth in the said notification the following shall be inserted, namely :—

(9) Paraphenetol carbamide (dulcin or sucrol).

(10) Amido trazine sulphonic acid and its sodium salt (glucine).

CUSTOMS SUNDAY WORKING FEES.

(*See Report* 1924, *Vol. I, page* 210.)

The Associated Chambers of Commerce of India and Ceylon in July 1932 asked for an expression of the views of this Chamber on a suggestion by the Burma Chamber that the Association should approach Government with a view to a reduction being made in the present Customs Sunday working fees of ocean-going liners. The Burma Chamber pointed out that the fee charged was Rs. 200 for a period of 24 hours from 6 a.m. on Sunday and that the full fee was charged whether the steamer worked one hour or the entire 24 hours of this period. In addition, the services of the Preventive Officer on duty were charged for at the rate of Rs. 2 per hour and a further charge of Rs. 5 to Rs. 10 was made according to the number of times the Customs Inspector visited the working steamer. The result was to make Sunday working very expensive, and whilst no doubt this acted as a deterrent against Sunday working and assured that the men on board should have their Sunday rest, there were occasions when Sunday working was absolutely imperative. A fee of Rs. 200, which was entirely disproportionate to the services which the Customs rendered, was an unfair penalty on the shipowners. The Burma Chamber considered that an effort should be made to secure a reduction in the fee and mentioned that the Customs Sunday working fee in Siam was 25 ticals and in the Dutch East Indies 20 florins. It was also suggested that where a steamer was only working for a part of the Sunday period the Sunday working fee should be reduced proportionately.

After consulting the Shipping and Export Sub-Committee the Committee informed the Associated Chambers that they

agreed that Sunday fees should be reduced. They pointed out that these charges were originally imposed as a deterrent against Sunday working and that they were charged in most ports for Sundays and certain fixed holidays, such as Christmas Day, Good Friday, etc. They added that steamers now-a-days only worked on Sundays when it was absolutely necessary and they believed that Sunday work was not nearly so prevalent as it used to be. The Committee considered that in particular the Customs penalty fee of Rs. 200 for keeping the gate open on Sunday should be abolished, and that if this was not found possible a reduction should be pressed for and only one fee per gate charged, to be divided amongst the steamers using that gate. The Committee were also of the opinion that the charge for overtime for Customs officers working on Sunday needed revision, particularly in cases where only one or two hours work was necessary.

The Committee at the same time took the opportunity of suggesting to the Trustees of the Port of Bombay that the Port Trust penalty fee for Sunday work of Rs. 200 plus Rs. 100 surtax or Rs. 300 in all should be reduced by half and a fee of Rs. 150 only levied.

The Associated Chambers subsequently informed the Chamber that the Central Board of Revenue had been addressed in regard to the modification of the rules relating to the levy of Customs fees in respect of vessels working in the ports on Sundays.

In regard to the representation that the Chamber made to the Trustees of the Port of Bombay for the reduction of the Port Trust penalty fee for Sunday work, the Port Trust in reply stated that this Sunday working fee was originally imposed not as a revenue measure but as a deterrent to ships working on Sundays, in order to allow the Docks

traffic and labour staff one off-day a week for rest and recreation, having regard to their long hours of duty and the fact that Saturday half-days and gazetted holidays were denied to them.

The Port Trust pointed out that the necessity for this still existed, and the tendency of legislation in recent years had been to reduce the working hours of labour in the interests of health and efficiency. It was also mentioned that the principle underlying the levy of the fee accorded with the practice of the Customs Department and that of other Ports. In these circumstances and having regard to the fact that the Trustees had been forced by financial conditions to levy a general increase on their rates, they regretted they were unable to accede to the Chamber's request.

INVOICE VALUE OF GOODS.

A member in May 1932 inquired of the Committee at what rates goods should be invoiced when the import duty was payable on the value declared in consignment invoices.

The Committee after consulting the Import Sub-Committee of the Chamber referred the member to Section 173 of the Bombay Sea Customs Manual. For the information of members the Section is quoted below :—

Section 173.—When no wholesale cash price is quoted in the local market, then the real value is the cost with all charges for freight, insurance (excluding war risk insurance), packing and landing, but not including the duty payable, at which goods can be placed on shore for delivery to the importer less a deduction on account of trade discount according to the custom of the trade. Landing charges should be reckoned at 1¼ per cent. on the real value as calculated before these charges are added in.

ANNUAL STATEMENTS OF THE SEA-BORNE TRADE AND NAVIGATION OF BRITISH INDIA.

The Director General of Commercial Intelligence and Statistics in May 1932 intimated that in order to effect substantial economies on stationery and printing it had been decided to curtail considerably the annual statements of the Sea-borne Trade and Navigation of British India, Volumes I and II. He also intimated that it was proposed to discontinue the printing and publication of the annual statements of the Sea-borne Trade and Navigation of Bengal, Bombay Presidency (excluding Sind), Sind and the Madras Presidency but that they would be maintained in manuscript at the respective Custom Houses. Collectors of Customs would thus be in a position to answer specific enquiries for any particular information by taking extracts from the manuscript volumes.

After consulting the Import and Shipping and Export Sub-Committees the Committee informed the Director-General that, while they agreed with the proposals relating to the annual statements of the Sea-borne Trade and Navigation of British India, the Statistical Staff of the Chamber frequently had occasion to refer to the trade returns of the Presidency ports, *i.e.*, Bengal, Bombay (excluding Sind), Sind and the Madras Presidency. In view, however, of the urgent necessity for retrenchment and economy in all directions the Committee agreed to the proposal provided an assurance was given to the Chamber that the Statistical Staff working in the Custom House would always have access to any statistical information compiled in the Collector's office. The Committee drew the attention of the Director-General to the fact that similar facilities were allowed by the Collector of Customs, Bombay, when in 1923 it was proposed to discontinue the returns published in Part VI of the *Bombay Government Gazette*.

REVISION OF THE LIST OF ARTICLES SPECIFIED IN THE SEA-BORNE TRADE RETURNS OF BRITISH INDIA.

(*See Report* 1931, *Vol. I, page* 111).

The Director-General of Commercial Intelligence and Statistics in November 1932 informed the Chamber that the annual revision of the list of articles to be specified in the sea-borne trade returns of British India was under consideration and enquired whether the Chamber had any suggestions to make regarding additional items, the separate specification of which in the trade returns would, in the opinion of the Chamber, appear to be indispensable.

After consulting the Import and Shipping and Export Sub-Committees the Committee informed the Director-General that they had no comments to make beyond drawing attention to the suggestions put forward by the Chamber in December 1931 to which, they observed, only partial effect had been given.

TARIFF CLASSIFICATION OF DYES.

(*See Report* 1931, *Vol. I, page* 117.)

The Director-General of Commercial Intelligence and Statistics intimated in August 1932 that it was proposed, with effect from 1933, to split up the sub-head (*a*) of coupling dyes of the napthol group into three distinct categories by assigning separate tariff values to napthols, rapid fast colours (rapid salts) and bases, and to delete the two existing heads auramine and rhodamine of 15 per cent. concentration making them assessable under the head " all others." The Committee carefully considered the proposal in consultation with the the Import Sub-Committee and members of the trade and

submitted a statement showing, on the one hand, the classification as in force at the moment, and on the other, the variations, it was suggested, Government should adopt.

The Committee agreed with the suggestion that the sub-head (*a*) reading at present "Napthols, Rapid Fast Colours (Rapid Salts), and Bases" should be split up into three groups. In view of the doubts that had arisen in the past regarding the exact meaning of these words, and having further regard to an order by the Collector of Customs, Bombay (R. S. R. No. 5279 of 13th July 1932) the Committee thought it was advisable to add to these three heads and also to sub-head (*b*) "Other salts," some explanatory chemical descriptions. If the above suggestions were adopted, the Committee thought that the present rather unsatisfactory and vague head "Coupling Dyes of the Napthol Group" might, with advantage, be omitted altogether.

In dealing with the proposal to delete the present heads—"Auramine of concentration 15 per cent. or less" and "Rhodamine of concentration 15 per cent. or less" (Carthamines) the Committee considered the proposed deletion ill-advised, since it would mean that these groups would, in future, fall under the residuary group "All Others." The effect would be that these weak dyestuffs groups, which were principally consumed by the cottage industries, would have to pay considerably more than 10 per cent. duty on their real value in future.

It was understood that the Director-General was desirous of splitting up the residuary group "All Others" in order to obtain a further approximation to equality of incidence, the principle being made dependent on two conditions, namely:

(*i*) that the new heads should be of substantial importance and

(*ii*) that their indentification should not offer great difficulties to the Customs.

In applying these criteria to the two heads it was suggested to delete, it appeared that (*a*) since their introduction in the Tariff (1st October 1931) up to the end of July 1932, one firm, a member of this chamber imported—

Auramine of concentration 15 per cent or less. 107,950 lbs.

Rhodamine of concentration 15 per cent. or less .. .. 56,100 lbs.

and (*b*) regarding their indentification no difficulties whatever had arisen.

The Committee could not think of any reason why these two heads, which had so largely benefited the cottage industry, should now be abolished.

In accordance with the principle mentioned above, the Committee suggested the creation of a few further heads which at the moment fell under the residuary group "All Others"—

	Annual Average importation by one firm.	Average Real Value per lb.
	Approx.	Rs. a. p.
Basic Green (other than powder form) ..	70,000 lbs.	2 4 0
Basic Magenta	60,000 „	3 12 0
Basic Violet	30,000 „	2 8 0
Rhodamine (Colour Index 1924 No. 749 of concentration above 49 per cent.) ..	35,000 „	5 0 0

The effect of the introduction of these additional heads would be to obtain a greater approximation to equality of incidence. As regards the question of identification of these suggested new heads, the Committee did not anticipate any difficulties, but in order to remove all doubts it was suggested that representative standard types of crystals lumps

on the one hand and of powder on the other might be deposited with the custom-houses.

The Committee also suggested an additional sub-head under the heading "Vat Dyes" *viz* : "Carbazole Blues" better known under their trade-name "Hydron Blues." These dyes stood half-way between Vat Dyes and Sulphur Dyes, both as regards chemical composition and as regards price. With his order R.S.R. No. 989 of 1st March 1932, the Collector of Customs, Bombay, decided that "Carbazole Blues" should be treated as Vat Dyes. It was pointed out that the average price of Carbazole Blues was Rs. 4 per lb. while the tariff valuation for Vat Powder was Rs. 8 per lb. Carbazole dyes were, therefore, made to pay double duty. If, on the other hand, Carbazole dyes had been classified under the group "All others" (which was the only alternative), they would have been under-assessed. The only equitable solution would, therefore, appear to be the creation of a new heading, the more so, as the inequity of the existing assessment would be further increased in the not unlikely event of the present tariff valuation for Vat Dyes powder being increased. It was submitted that the group was of sufficient importance to justify a heading of its own. Calculated on the basis of the previous seven months the importations by one firm alone amounted to 30,000 lbs. per annum. If Carbazole Blues continued to be made assessable as "Vat Powder" it was probable that the importations of this class of dyes would cease, as the various Government Departments who were the chief consumers (for uniforms), refused to pay a higher price.

In conclusion the Committee suggested the insertion of a new heading "Pigments containing not more than 66 per cent. inorganic substrates." The insertion of this new

head was considered necessary in order to safeguard the existence of an industry that had recently established itself in India, namely that of manufacturing printing inks.

TARIFF CLASSIFICATIONS.

With effect from 1st January 1933 the following items have been added to the articles for which tariff values are fixed annually :—

Sodium Hyposulphite (in bulk).

Brass, patent or yellow metal, circles weighing 1 lb. or above per square foot.

Petroleum Jelly, white.

Petroleum Jelly, all other sorts.

The tariff classification of Celluloid Bangles was amplified to read as follows :—

Celluloid, plain, flat, with border and without border and grooved but excluding double border or " double grooved " and those under $\frac{1}{4}$ inch (*i.e.* 2 lines) width.

TARIFF VALUATIONS.

Annual Revision.

In accordance with the usual practice the Director-General of Commercial Intelligence and Statistics met representatives of the Chamber on Tuesday, 22nd November 1932, and discussed with them his proposals in connection with the annual revision of the tariff schedule in respect of articles assessed to duty at tariff valuations.

TARIFF VALUATION.

Butter.

In connection with the meeting held on the 22nd November 1932 between the Director-General of Commercial Intelligence and Statistics and representatives of the Chamber

when the provisional tariff values for 1933 were discussed, the Committee in December 1932 addressed the Director-General and pointed out that at the meeting it was suggested that statutory item No. 69 " Butter" should be removed from the tariff value heads and assessed to duty *ad valorem*. It was further suggested that if this proposal was not acceptable the tariff value, so far as Bombay was concerned, should not be fixed at a higher rate than 13 annas per lb. and that even this rate would be higher than the C.I.F. rate at which fresh butter had been imported from Kenya since May 1932. Such butter was being sold wholesale at Re. 1 per lb. after paying 5½ annas duty in addition to landing charges, etc. It was also understood that Anchor brand New Zealand butter was being sold in cartons wholesale at Rs. 1-2-0 per lb.

It was explained by the Director-General at the meeting that the reason for proposing to fix the tariff value for 1933 at Rs. 1-3-0 was the high C.I.F. rate prevailing at Rangoon. It appeared to the Committee that it was inequitable that residents of Bombay and elsewhere in India should have to pay a comparatively high price for good imported butter because the C.I.F. rate at Rangoon was much higher than at other ports.

The Committee requested that account might be taken of the above considerations before a final decision was taken in this matter.

In the new tariff valuations which came into force on the 16th January 1933 the tariff valuation for butter was fixed at Rs. 1-1-0 per pound.

TARIFF VALUATIONS.

Borax and Boric Acid.

The Director-General of Commercial Intelligence and Statistics in September 1932 informed the Chamber that

with effect from 1933 it was proposed to fix tariff values for borax and boric acid according to the classification shown below :—

Borax—		
Granulated in bulk..	Tariff value per cwt.	
Crystals or powdered in bulk ..	,,	,,
Crystals or powdered in packets ..	,,	,,
Boric Acid—		
Crystals or powdered in bulk ..	,,	,,
Crystals or powdered in packets ..	,,	,,

The Committee after consulting the Import Sub-Committee of the Chamber informed the Director-General that they had no objection to the proposal. They presumed, however, that the classification referred solely to commercial quality and not to P. B. quality which was over three times the price of commercial.

In the revised Tariff Schedule for 1933 the following items were added :—

Borax, granufar powdered or crystalline (in bulk).
Boric acid (in bulk).

REFUND OF EXCISE VEND FEES.

(*See Report* 1931, *Vol. I, page* 140.)

As was noted in the Report for 1931 the Committee addressed the Government of Bombay, Revenue Department, in regard to the inconvenience experienced by the liquor trade owing to the entire closing of the Excise Vend Fee Office on public holidays.

The Government of Bombay in replying to the Committee stated that in accordance with the rules framed by Government in November 1923 for the refund of vend fees on foreign liquor exported from the Bombay Presidency the days and hours of business at the Vend Fee Office at the Old Custom

House and at the railway stations for the examination of consignments of liquor were as follows :—

(1) All week days except the King's Birthday, New Year's Day, Good Friday, Christmas Day and all holidays sanctioned by Government under the Negotiable Instruments Act;

(2) Between 11 a.m. and 5-30 p.m. on week days except Saturdays and between 11 a.m. and 2 p.m. on Saturdays.

The days and hours of business at these offices had been prescribed with reference to those fixed for treasury offices and were the same as those prescribed for the Customs and Salt Departments, which recovered overtime allowance if any trader desired that a particular office of those departments should be kept open for business on a close holiday. Similarly bonded laboratories, which were worked under the supervision of the Excise Department, were required to pay overtime at the rate of one-thirtieth of the pay of the staff for work on a Sunday or an authorised holiday. It was on this analogy that the Commissioner had addressed the Chamber in November 1931 (see page 141 of 1931 Report). The Government of Bombay added that with a view, however, to avoiding the holding up of trade especially when there were a series of holidays, arrangements would be made, as an experimental measure, to depute a Divisional Excise Inspector or his assistant for a few hours for the examination of consignments of foreign liquor intended for export without the exporters of such liquor being called upon to pay overtime allowance.

TOBACCO DUTY (TOWN OF BOMBAY) AMENDMENT BILL.

A Bill further to amend the Tobacco Duty (Town of Bombay) Act, 1857, was introduced in the Bombay Legislative Council on 18th March 1932.

The object of the Bill was to increase the rate of duty on tobacco imported into the town of Bombay levied under section 2 of the Tobacco Duty (Town of Bombay) Act, 1857, so as to enable the Bombay Municipal Corporation to meet its increased liabilities on account of the proposed amalgamation of the Bombay City Improvement Trust with the Municipality. The Corporation was anxious to take over the Improvement Trust as early as possible and it was obvious that it could not meet its consequent liabilities without increased taxation. The Bill was brought forward at the desire of the Corporation.

It was added since an increase in the duty would increase the incentive to evade it, it was necessary simultaneously to reduce the limit of exemption which was now placed as high as four seers. Clause 4 made the necessary provision.

The Bill was passed by the Legislative Council and received the assent of the Governor-General on the 27th March 1932. It came into force on the 1st April 1932.

THE NEW CONSTITUTION.

Proposed Statutory Railway Authority.

The Committee in consultation with a special Sub-Committee consisting of Mr. R. R. Haddow, Mr. J. P. Galatti and Mr. A. Gillespie, in February 1932 considered a Note submitted to the Associated Chambers of Commerce of India and Ceylon by Mr. E. C. Benthall, a member of the Consultative Committee under the Presidency of His Excellency the Viceroy, in regard to the proposed Statutory Railway Authority under the new Constitution.

In replying to the Associated Chambers the Committee commented as follows on the points raised by Mr. Benthall :—

(1) The acceptance of the proposals considered at the Round Table Conference.

The Committee were in favour of the proposal that a Statutory Railway Board should be established.

(2) The general acceptance of the principles of the South African Constitution modified as suggested.

The Committee were in favour of a scheme on the lines of the South African system subject to suitable modifications.

(3) The question of a separate Rates Tribunal.

The Committee were in favour of the establishment at headquarters of a Railway Rates Tribunal which should be in close touch with the financial position of the railways and take into account the effect of proposed alterations in rates. The Chairman of the Tribunal should be an expert on railway traffic and railway finance matters. The Tribunal should be subordinate to the Statutory Railway Authority and should be assisted by local Advisory Committees.

(4) The composition of the Board (whether it should consist of railways experts only or whether certain salaried commercial representatives should also be added).

The Board should have a preponderance of railway experts with the Minister in charge of the relevant portfolio as Chairman, but commercial interests should also be represented unless adequate representation was given to them on the Rates Tribunal.

(5) The authority to appoint the Board.

The authority to appoint the Board should be the Governor-General in Council.

(6) The period of service of the Board.

Five years.

(7) The financial status *vis-a-vis* the general budget.

The Committee favoured as complete separation as possible of railway finances from the general budget. In the interests of the agricultural and industrial development of the country it was desirable that railway rates should be maintained at as

low a level as the financial requirements of the railway admitted, due regard being paid to the prevailing economic conditions, *e.g.*, famine or excess production also competition from the railways of Indian States. It was felt that this could only be achieved by an independence of control which could not exist if the finances of the railway were dependent on or affected by the general budget.

(8) The power of the Central Government to impose a surcharge on rates and fares for purposes of the general budget in the case of emergency, such as war.

The Committee considered that this power should only be exercised in the case of extreme emergencies such as war.

(9) The question whether Ministers or Members of the Assembly, Senate or Councils should be debarred over a period of years from serving on the Board.

The Committee had expressed the opinion that the authority appointing the Board should be the Governor-General in Council, and they did not consider it desirable to restrict his selection.

(10) Acceptance of the South African precedent where branch lines were built contrary to technical advice.

The Committee thought the South African precedent should be accepted.

(11) The question of the staff appointments.

This should be left to the statutory Railway Board.

(12) Safety.

It was presumed that as in the case of factories, mines, etc., Government would be responsible for the enactment of rules and regulations concerning safety. They should therefore have jurisdiction over the supervising staff.

(13) Any other points.

The Committee could not sufficiently stress the importance of the Statutory Railway Board being entirely free from political influences. They also felt that the Railway Board

should work in close co-operation with whatever body it was decided to place in control of roads and other transport services in order to promote the development of feeder services and to ensure the most economical working of, and co-operation between, all forms of transport.

In the last paragraph of Mr. Benthall's note it was suggested that ports as well as railways should come under an independent statutory body on the lines of the South African model. After due consideration the Committee were unable to advocate that ports in India should be brought within the scope of the Statutory Railway Board. The major ports in this country worked under widely varying conditions and they were separated from each other by great distances. Under the existing system of administration they were autonomous bodies subject to the control of the local Governments. Their interests were very largely bound up with local trading conditions and the Committee considered that they should be subject to as little Government control as possible. The Committee agreed that in future they should be a federal subject under the direct control of the Federal Government subject, however, to as little interference as possible.

The following resolution was, on the motion of the Bengal Chamber, adopted unanimously at the annual general meeting of the Associated Chambers held at Calcutta on the 9th and 10th January 1933 :—

This Association records its opinion that a Statutory Railway authority should be provided for in the new constitution in terms which specify its machinery and powers and, while, leaving the control of policy with the legislature, clearly limit the right of intervention of the latter in the detailed administration of the railways.

The Association also recommends to the Government of India that the establishment of a railway authority of such a nature be

taken in hand with the least possible delay and that, if necessary, a Commission should be appointed at a very early date for the purpose of examining the factors regulating the control and administration of the railways and making proposals for the future, with particular reference to the conditions which should govern them under the new constitution to the best advantage of the public: the Association further recommends that any such Commission that may be appointed should be small in numbers, should be largely recruited in India, and should include representation of the commercial community and the general public.

MOTORS AS FEEDERS TO RAILWAYS.

(*See Report*, 1931, *Vol. I, page* 169.)

At the annual general meeting of the Associated Chambers of Commerce of India and Ceylon held at Calcutta in December 1930 the following resolution was adopted :—

" That Government should take such steps as may be necessary to amend the Railways Acts of 1879 and 1890, in order to permit both State and Company-managed Railways to own and operate motor and/or air services, as subsidiary services to existing railway systems, without any restriction in regard to carrying passengers or goods carried or to be carried on the railways."

A Bill was introduced in the Legislative Assembly on the 5th September 1932 for the amendment of the Railways Act so as to make it clear that any Railway Company may own and operate unconditionally road motor services for the carriage of traffic in areas served by their Railway. The exercise of these powers would, however, be subject to the sanction of the Governor-General in Council being obtained in each case.

The Bill was submitted to the Chamber by the Government of Bombay for opinion in October 1932 and was referred to a Special Sub-Committee consisting of the President, Sir Hugh Cocke, Messrs. M. W. Brayshay, G. C. Phillips and the Hon'ble

Mr. E. Miller who approved of the Bill as drafted. The Government of Bombay were informed accordingly.

RAILWAY FREIGHT ON COAL.

(*See Reports*, 1925, *Vol. I, page* 27 ; 1928, *Vol. I, page* 170 ; 1929, *Vol. I, page* 150.)

It was recorded in the Chamber's Report for 1931 that the Committee in replying to a reference from the Associated Chambers of Commerce of India and Ceylon had stated that they did not consider that the Upper India Chamber had made out a sufficiently strong case to command the support of this Chamber against the enhancement of the freight rates on coal when regard was had to the serious financial position of the railways.

The Chamber was subsequently informed that in view of the diversity of opinion amongst the constituent Chambers the President considered that it was not possible for the Associated Chambers to take any action in the matter.

INDIAN RAILWAY CONFERENCE ASSOCIATION.

(*See Report*, 1931, *Vol. I, page* 146.)

Intimation was received in February 1932 from the Indian Railway Conference Association that the subjects discussed at the 17th meeting of the Commercial Committee held in October 1931 (particulars of which were referred to in the Chamber's Report for 1931) were disposed of as under.

Live Poultry.—The rule was revised.

Unclaimed overcharges.—The Committee were unable to recommend any alteration in the existing rules.

Concessions.—The Committee did not recommend any alteration in the existing concessions.

Rate for Ephedra Herb.—The Committee considered the Ephedra herb was chargeable as Drugs, country, classified 4 R. R.

Rate for Indanthren Dye Paste.—With effect from 1st April 1932, "Indanthren Dye Paste" appearing under "Colours, paints and dyes—Division B" would be deleted and a new entry "Vat dyes in paste" would be included under "Colours, paints and dyes—Division A" classified 6 R. R.—4 O. R.

Rate for Silicaware.—The following classification would be introduced with effect from 1st April 1932 :—

"Silicaware (pure fused Silica)—8 R. R."

The Indian Railway Conference Association in June 1932 forwarded to the Chamber particulars of the following subjects which were on the agenda of the meeting of the Commercial Committee of the Association to be held on Wednesday, the 13th July 1932, and asked for the views of the Chamber thereon :—

(1) rates for carriage of chemicals,
(2) carriage of specie by rail.

The Bengal Chamber in addressing the Indian Railway Conference Association in regard to the rating of heavy chemicals stated that they agreed that it would be of great assistance both to importers and manufacturers ,if the existing anomalous method of classifying these goods for rating purposes was replaced by a fixed classification varying between

much narrower limits. The Bengal Chamber further stated that they also agreed with the suggestion of the East Indian Railway that chemicals which were in general use should be classified under, at most, two classes, the rate for the next highest class being applied when the goods were despatched at railway risk. The Bengal Chamber were of opinion that it would probably be advantageous if there were no minima and maxima rates within a class, but a fixed rate applying invariably to all goods in each class.

The various interests and factors which had to be taken into account in assessing the rate for a given product were admittedly conflicting, but the two main considerations in the case of heavy chemicals, were—

(*a*) (From the public's point of view) the general use to which that product was to be put. The widespread use of certain chemicals, *e. g.*, fertilizers and disinfectants, was beneficial to the public generally, and they might be considered to deserve favourable terms which in turn should make for an increased volume of traffic;

(*b*) (From the railway's point of view) the volume of traffic which might be expected in that chemical; and to a smaller extent its character. It was reasonable to expect a product which was a potential source of damage to the company's property to be classified at a higherate. But if its character was only such as might merely cause deteriorattion to its own condition, (as if it was unstable or easy to pilfer), then it should be placed in a higher classification only if it was sent at railway risk.

If chemicals in common industrial and commercial use were to be placed in Class I and those in less common demand in Class II, and each of these classes was to imply a fixed rate per maund per mile, the question of value, apart from exceptional cases, would not affect it in so far as the freight paid was calculated on weight.

The Committee in addressing the Indian Railway Conference Association stated that they desired to support the representation made by the Bengal Chamber regarding the classification of heavy chemicals for purposes of railway freight.

Later the Indian Railway Conference Association intimated that an additional item had been included on the agenda, *viz.*, Quotation of freight rates by railways to the public.

The Committee in addressing the Indian Railway Conference Association on this subject stated that after carefully considering the matter in consultation with the Docks and Railways Sub-Committee they were of opinion that the procedure as outlined in paragraph 6 of the proposals from the Traffic Manager (Rates and Development) Eastern Bengal Railway should meet the case. The paragraph referred to read :

" I think it is essential that some improvement in the matter should be made, particularly in the direction of eliminating correspondence and work, which consideration is of special importance in these times of necessity for reducing working expenses. In these circumstances I am strongly of the opinion that the following procedure should be adopted by all railways :—

Any railway interested in the traffic to be carried, receiving an application for the quotation of a through rate, shall furnish the information. All quotations to be subject to the condition that no responsibility is accepted for the accuracy of quotations of rates over foreign railways, but that if the applicant desires, the foreign railways concerned will be asked to confirm their rates direct to the applicant, and that where circumstances demand that such confirmation be obtained urgently the confirmation should be obtained by telegram."

The Committee were subsequently informed that the above subjects were disposed of as under :—

(1)	*Heavy Chemicals—Remarks on rating by Indian Tariff Board.*	The question was before the Standing Committee of the Association and the result thereof would be communicated in due course.
(2)	*Carriage of Specie*	The Railway Board were unable to accept the recommendation that Specie of all descriptions should be included in the list of excepted articles given in Rule 146 of Coaching Tariff No. 8 and Rule 33 of General Classification of Goods No. 17.
(3)	*Rates for fresh fruits in wagon loads by passenger train.*	The Commercial Committee did not approve of the East Indian Railway's suggestion regarding fresh fruits in wagon loads. They however recommended that for parcels traffic where inter-railway competition was not involved, Railways should be authorised to quote rates up to a maximum of 50 per cent. less than the rates appearing in the Indian Railways' Coaching Tariff and alternatively to reduce up to a maximum of 50 per cent. the distance for charge for such traffic between any two stations. The above recommendation of the Commercial Committee had been approved by the Railway Board and Railways had been advised accordingly.
(4)	*Quotation of freight rates by Railways to the public. Amendment to Rule* 128 *(vii) of Conference Regulations, Part II* (1932-33 *edition).*	The Commercial Committee did not approve of the suggestion made by the Traffic Manager, Eastern Bengal Railway Calcutta.

The Committee in August 1932 were addressed by the Indian Railway Conference Association who forwarded particulars of a case which was on the agenda for discussion at the October 1932 meeting of the Commercial Committee relating to the rate for oil of turpentine, varnishes, enamel, etc. The proposal was (*a*) that the existing classification of Oil of Turpentine, Spirits of Turpentine, Turpentine substitutes and Varnishes, *viz.* 6 R. R. and 4 O. R., be brought into line with that of Colours, Paints and Dyes Division B, *viz.*, 4 R. R. and 2 O. R., (*b*) That Enamels and Enamel paints at present included under Colours, Paints and Dyes Division A. 6 R. R. and 4 O. R. be transferred to Colours, Paints and Dyes Division B. 4 R. R.

The Committee after consulting the Docks and Railways Sub-Committee of the Chamber in the matter informed the Indian Railway Conference Association that in so far as they were able to judge the paint companies appeared to have put up a reasonable case.

The Indian Railway Conference Association in September 1932 asked for the views of the Chamber on a draft resolution submitted by the Great Indian Peninsula Railway to the Commercial Committee for consideration. The resolution read as follows :

" The Commercial Committee for Interchange recommend that the entry ' bone dust ' shown at page 180 of the General Classification of Goods No. 17 be deleted and be indexed as a sub-head to ' bon meal ' shown on page 182 of the same book."

The Committee after consulting the Docks and Railways Sub-Committee of the Chamber informed the Indian Railway Conference Association that they supported the resolution.

PACKING CONDITIONS FOR PIECE-GOODS ON RAILWAYS.

(*See Reports*, 1925, *Vol. I, page* 178 ; 1931, *Vol. I, page* 157.)

It was mentioned in the Chamber's Report for 1931 that the Committee had favoured a proposal that had been submitted to the Commercial Committee of the Indian Railway Conference Association for amending the packing conditions of bazaar-packed piece-goods in force on railways so as to permit the securing of the bales with ropes instead of with iron bands.

The Chamber was informed in June 1932 by the Indian Railway Conference Association that the Commercial Committee did not recommend any alteration in the existing packing conditions of piece-goods.

RAILWAY RECEIPTS AS NEGOTIABLE INSTRUMENTS.

(*See Reports*, 1886, *pages* 63, 452 ; 1887, *pages* 25, 79 ; 1888, *pages* 24, 102 ; 1889, *pages* 43, 261 ; 1890, *pages* 177, 429 ; 1904, *pages* 68, 436 ; 1906, *page* 53 ; 1907, *page* 38 ; 1908, *pages* 41, 265.)

The Government of Bombay and the Associated Chambers of Commerce of India and Ceylon in August 1932 invited the views of the Chamber on the recommendations of the Indian Central Banking Enquiry Committee that railway receipts should be placed by the Legislature on the same footing as bills of lading and that they should be made negotiable. The Committee in reply stated that in giving evidence before the Provincial Banking Enquiry Committee this Chamber reaffirmed its previously expressed opinion that the railway receipt

should be given the legal status of a negotiable instrument thereby enlarging credit facilities. Although the Mercantile Bank won on appeal the case referred to in paragraph 283 of the Banking Enquiry Committee's Report, the Committee adhered to this view as they considered that the law in this respect should be defined by statute instead of depending on the opinion formed by a judge on the circumstances of any particular case. The Committee therefore supported the recommendation of the Banking Enquiry Committee that the railway receipt should be placed on the same footing as a bill of lading. This would dispense with various devices that had been suggested to make the railway receipt a valid security, such as the pledger addressing a letter to the Railway Company advising the Company that he had transferred his interest in the goods to a Bank, the Bank in forwarding the pledger's letter instructing the Railway Company to hold the goods to its order and the Railway Company being prepared to accept such instructions. The Committee also agreed with the Banking Enquiry Committee that railway receipts should be made negotiable and that the Railway authorities should issue instructions that the receipt should give as full a description as possible of the goods covered by it.

TENDER AND CONTRACT FORM OF B. B. & C. I. RAILWAY.

The Committee in May 1932 addressed the B. B. & C. I. Railway stating that their attention had been drawn to the fact that the terms of the tender and contract form in use by the Railway were inconsistent with the typewritten notes at the end of the Schedule appended to the form.

Conditions 1 and 9 so far as relevant read as follows :—

1. This tender is for the supply to the Controller of Stores, B. B. & C. I. Railway Company, of the whole or any portion of the material appearing in the Schedule marked " A" hereto annexed for the period of 12 months commencing from 1st January 1932 at the rates entered by the tenderer in the schedule and on the conditions stipulated hereinafter.

9. The quantities to be supplied are shown as nearly as can be foreseen in the Schedule but they are estimates only of the quantities that may be required, and actual purchases by the Railway Company may vary from a minimum of 25 per cent., below to a maximum of 25 per cent. above the estimated quantity of each item. A tenderer whose tender is accepted must supply any required quantity of any item up to the maximum stated at the rate quoted by him for that item and provided that the Company purchases up to the minimum stated the tenderer will not be entitled to receive any compensation because of any divergence from the estimate.

It appeared that Condition 9 made it perfectly clear that the Railway Company was bound to accept a tender for the full quantity of any item but that deliveries might vary 25 per cent. one way and the other. When the Railway Company advertised for tenders that was not an offer, but was an invitation for an offer, and the tender was an offer upon the conditions contained in the conditions of the tender. The Railway Company could accept only the offer which the tenderer made, nothing more or less. If the Railway Company purported to accept subject to a fresh condition, that would be a counter offer, and not an acceptance of the offer made by the tenderer.

The Railway Company could not therefore accept any portion of the offer which the tenderer had made unless the conditions of the tender authorised an acceptance of a portion only. Such authority could be contained in condition 1 only,

but it was necessary to reconcile the construction of condition 1 with condition 9, and the Committee thought the only way to do this was to read the words "any portion of the material" as meaning that assuming the tenderer tendered for 5 items, the Railway Company might assume that his tender was for each of those 5 items separately and that the Railway Company might accept any one of the 5 items in respect of which a tender had been made. The Committee did not think that the tender was an offer to supply a portion of a particular item. If that were the case it would clearly contradict Condition 9. The words "the maximum stated and the minimum stated" must mean 25 per cent. each way of the quantity offered and accepted. No doubt where the tender was for one item, this construction might lead to difficulties but it was the only one by which these two clauses could be reconciled.

The matter was, however, very considerably complicated by the typewritten or multigraphed paragraphs at the bottom of the tender. Paragraphs 5 and 6 read as follows :—

(5) "In a case of any item or items where 75 per cent. of the accepted quantity has not been ordered in terms of Clause 9 of Conditions of Tender and Contract form, the successful tenderer must intimate in writing at least 15 days prior to expiry of Contract, if he has stocks available for which he desires orders to be placed. Failing which the Railway Company will be under no obligation to order the balance.

(6) "The rates offered must be for the full or part quantities as the case may be."

Paragraph 6 seemed to the Committee to contradict deliberately the printed conditions in the tender. The words "full or part quantities" in paragraph 6 could not mean individual items out of the whole tender, but must mean, if these typewritten paragraphs formed part of the conditions

of the tender, that the tenderer made an offer for any portion of any particular item.

Paragraph 5 standing by itself would not necessarily imply this, but " the quantity accepted " when taken together with paragraph 6 would, in the opinion of the Committee, imply that the Railway Company could accept less than the full quantity tendered for. It seemed therefore that two conditions which were entirely contradictory had to be reconciled.

In view of the above the Committee suggested that the B. B. & C. I. Railway might consider the advisability of bringing their tender and contract forms into line with the revised forms recently adopted by the State Railways in India.

After correspondence and discussion with the interests concerned the Committee felt that clause 9 should be amended in order to make clear to tenderers, beyond doubt, what their liabilities were in regard to the quantities of material which they might be called upon to supply under clauses 1 and 9 of the form of tender. The Committee accordingly suggested to the B. B. & C. I. Railway that clause 9 should be revised to read as follows :—

" The quantities to be supplied are shown as nearly as can be foreseen in the Schedule but they are estimates only of the quantities that may be required, and actual purchase by the Railway Company may vary from a minimum of 25 per cent. below to a maximum of 25 per cent. above the estimated quantity of each item. If, prior to the acceptance of a tender, the Company find that they will actually require a smaller quantity than 75 per cent. of the estimated quantity of any item they may revise their estimates accordingly and may, if they think fit, divide their orders for the required quantities among two or more tenderers and may require a tenderer who has quoted alternative rates for different quantities and whose tender is accepted to supply from a minimum of 25 per cent. below to a maximum of

25 per cent. above any of the different quantities offered by him at the rates quoted by him for these quantities and, provided the Company purchase accordingly, the tenderer will not be entitled to any compensation because of any divergence from the revised estimates. The Company may require a successful tenderer who has not quoted alternative rates for different quantities to supply any required quantity of any item up to 25 per cent. above the quantity accepted by them at the rate quoted, and provided the Company purchase up to 25 per cent. below the quantity so accepted by them the tenderer will not be entitled to receive any compensation because of any divergence from the estimates. If the tenderer fails to supply or to offer a suitable alternative in terms of clause 25 to the satisfaction of the Controller of Stores, the Controller of Stores is to be at liberty to purchase the article or an article of similar quality from elsewhere (the tenderer's samples sent at the time of submitting his tender being employed for the guidance of the new vendors) and should the price of the articles so purchased, delivered at the required destination, be in excess of the tendered rate, to deduct the difference of cost from the amount or proceeds of the deposit."

The Committee also suggested that in order to draw tenderer's attention to their liabilities under clauses 1 and 9, a special note in block letters or red might be inserted at the head of the "Conditions of Tender and Contract" and again at the foot of the Schedule where the contractor signs. They further suggested that the Railway should make available to firms on their list a supply of the printed "Conditions of Tender and Contract" to be sent to manufacturers at home for their information.

HOURS OF BUSINESS AT WADI BUNDER, G. I. P. RAILWAY.

Formerly the hours of business for outward traffic at Wadi Bunder were from 8-30 a.m. to 4-30 p.m. daily except on Saturdays when the closing time was 3-30 p.m. In order

to reduce the long hours during which the shed staff were obliged to work on Saturdays so that railway receipts might be given to merchants on the same day as the traffic was tendered for despatch, the Chief Traffic Manager, G. I. P. Railway, informed the Committee in September 1932 that he proposed to notify that the closing time on Saturdays only would be 3 p.m. instead of 3-30 p.m. He enquired whether the proposed change would cause any hardship to the members of the Chamber.

After consulting the Docks and Railways and the Shipping and Export Sub-Committees, the Committee informed the Chief Traffic Manager that they had no objection to the proposal.

TRUNK TELEPHONE LINES.

(See Report, 1930, Vol. I, page 148.)

The Committee in December 1932 drew the attention of the Director-General of Posts and Telegraphs to the correspondence that took place in 1930 on the question of the development of the trunk telephone service and also to the undermentioned resolution which was moved by the representative of this Chamber and adopted at the annual general meeting of the Associated Chambers of Commerce of India and Ceylon held in Calcutta on 15th December 1930.

" This Association is of opinion that, while it is highly desirable that the number of commercial centres in India connected by trunk telephones should be increased and a wireless telephone service between India and England established at an early date, these objects cannot be effectively attained until the existing trunk service in India is rendered efficient. "

The Committee observed that since that date considerable progress had been achieved in the provision of trunk

telephone facilities between large commercial centres and they recorded their appreciation of the great improvements which had been brought about on certain of the long distance lines in this country. In particular the following lines had become effective from a commercial point of view :—Simla-Bombay, Simla-Calcutta, Calcutta-Bombay, Bombay-Agra. Some at least of these lines could not be said to be "commercial" even a few months ago. The Committee expressed a hope that the improvements which had been effected in the transmission in trunk lines had led to a greatly extended use by the public of the facilities provided and consequently to a very substantial increase in the revenue derived by the Department from this source.

There was, however, one line which was certainly very far from being satisfactory and that was the Bombay-Ahmedabad line which was one of the most important trunk lines from the point of view of the Bombay commercial community. The Committee expressed a hope that prompt steps would be taken to remedy the defects in this line.

RATES FOR FOREIGN TELEGRAMS.

(*See Report*, 1931, *Vol. I, page* 176.)

The Associated Chambers of Commerce of India and Ceylon, in August 1932, forwarded to this Chamber a copy of a letter which had been received from the Director-General of Posts and Telegraphs on the subject of the increases imposed in the rates for foreign telegrams with effect from the 14th October 1931.

The Director-General informed the Associated Chambers that under the International Telegraph Convention the tariff for foreign telegrams was formulated in gold francs,

the charge per word, in gold, being the total of the amounts due to each administration on account of its terminal or transit charges. The administration which actually collected the charge from the senders of messages in each case fixed in the local currency equivalent of the gold franc charge so that the amount recovered for a telegram just sufficed for payment to the parties concerned of their appropriate shares, namely, the local administration's terminal charge and the foreign administrations' transit and terminal charge in terms of gold. If the collecting rate had thus been fixed, there was of course neither profit nor loss to the collecting administration ; but if a disturbance should occur in the gold equivalent of the local currency it was obvious that the collecting rate would prove either to be too high or too low, involving a profit or loss on exchange to the collecting administration, until such time as the collecting rate could be suitably altered.

Outpayments to the cable companies operating in India had always been adjusted on this basis and when the wireless route with the United Kingdom came into existence the same procedure was prescribed in the agreement with the Indian Radio Telegraph Company, which followed closely the agreement with the cable companies.

The position therefore was that when India departed from the gold standard on September 20th, 1931, the Department was still under the obligation to pay their dues to the cable and wireless companies in gold francs, the value of which in terms of sterling and Indian currency had greatly appreciated, whereas it was collecting from the public at rates which were only sufficient to settle accounts at the par value of the currency. As a result, during the period September 20th to December 31st, 1931, the Indian Posts and

Telegraphs Department lost about Rs. 2,25,000, this representing the difference between the amounts collected from the senders of telegrams and the amounts which had to be paid to the various administrations.

At the time it was not possible to say what further fluctuations would occur in the exchange and the position was further complicated by the fact that it was not practically feasible to make frequent changes in the foreign rates. It was also desired to know what steps were being taken in the matter in England. A reference to England however showed that the cases were not comparable, inasmuch as most of the foreign traffic of the United Kingdom was in the hands of the cable companies who dealt with it with the intermediary of the British Post Office, and the British Post Office had a longstanding special agreement with them whereby dues on any foreign traffic handled by the Post Office were settled in English Currency without reference to gold francs.

As a result of this arrangement, there was not the same imperative necessity for an immediate increase in the rate in England as there was in India, though the I. & I. C. Ltd. pressed the British authorities for permission to adopt this course. After protracted negotiations approval was, it was understood, accorded to the charge of an assimilated rate (*via* cables and wireless) between England and India of one shilling and three pence per word for full rate traffic. It was understood that the Communications Company had contested the adequacy of what had been done.

When India departed from the gold standard, it was accordingly necessary to increase the foreign rates at very short notice to avoid the loss which was being incurred. At the same time, since the future outlook was so uncertain and since as stated above, it was not practically feasible

to make frequent changes in the foreign tariff, the preparation of which involving as it did many hundred of rates, was a matter of considerable labour, a small margin in favour of India was provided when this increase was made. In point of fact, the exchange rate fell so rapidly that this was quickly absorbed and a further increase shortly afterwards would have been justified.

The Government of India were fully aware of the desirability that foreign telegraph rates should be kept reasonably low. They, therefore, entered into negotiations with the cable and wireless companies, as a result of which it was decided that unless unforeseen developments occurred, with a further drop in exchange, any loss on the existing foreign rates should, as a special arrangement, be divided between the companies and Government in proportion to their shares. As would be gathered from the preceding paragraph the rate of exchange was such at present that some loss was still occurring.

The Director-General stated that the foreign cable and wireless interests of India had been entrusted to an Indian Communications Company and joint working of the cable and wireless routes had come into effect from July 1st, 1932. Consequent on this, the Government of India succeeded in arranging for a reduction in the Indian-United Kingdom rate, but owing to the payments which had to be made to other administrations, it had not been possible to apply this reduction to the rates to other countries. Government, however, anticipated that considerable economies would ultimately result from this joint working, and after it had been in force about a year and the Company had an opportunity to effect these economies it was hoped that a further reduction in rates might be feasible.

The Director-General thought it advisable to explain the position in some detail, and he expressed a hope that the Associated Chambers would accept the assurance that a reduction would be made in foreign telegraph rates from India as soon as it was possible to do so without exposing the administration to the risk of severe loss in the settlement of accounts. The Director-General stated that he should have sent this detailed reply at an earlier date had it not been that the position was constantly varying with the negotiations for the joint working of cable and wireless, and the fluctuations in the exchanges. Early in 1932 when the value of the rupee in terms of gold rose so markedly, it seemed probable that some reduction could soon be made. Unfortunately the subsequent movements had all been downwards and as he had stated there was at the moment a slight loss. Negotiations between the cable and wireless companies continued up to the end of June and until these had been settled the position regarding the tariff was by no means clear.

The Associated Chambers in thanking the Director-General of Posts and Telegraphs for his letter stated that one of the Chambers had enquired whether, in regard to radio messages, the Indian Radio Telegraph Co. had direct communication with the United Kingdom or whether its messages to that country had to be relayed from foreign stations. The suggestion was that, if there was direct communication, there appeared to be no reason why the Company should be paid on a gold basis.

In reply the Director-General stated that in regard to radio messages, the Indian Radio Telegraph Company (which had been renamed the Indian Radio and Cable Communications Company and which worked both the

wireless and cable terminals in India—excepting the Cable office at Karachi) had direct communication with the United Kingdom.

He observed that, that being so, there would appear to be no *prima facie* justification for this Company to receive its dues in terms of gold. He pointed out, however, that Government's arrangements for the sharing of traffic receipts with the Company from its formation, and with the Cable Companies previously serving India ever since cables were first landed in India, had been regulated on the lines prescribed in the International Telegraph Convention for the collection and distribution of such receipts. Under this Convention all foreign telegraph rates were fixed on a gold basis and a procedure was laid down for the collection of charges and the settling of their dues between the various administrations. In the special case of traffic between India and the United Kingdom it was true that the Company benefited from the depreciation of the rupee in terms of gold and although in respect of certain other traffic in which India was interested (*e.g.* that to America) the Company was adversely affected by that depreciation, the fact that the India-United Kingdom traffic constituted the major portion of the Company's total traffic probably resulted in their deriving on the whole a net benefit. This was recognised at the time and it was duly considered whether it would not be possible to prevent the Company from enjoying a wholly unearned profit of this kind by an alteration in the gold franc value of their shares but it was found that this would mean a great deal of delay, trouble, and widespread recasting of collecting rates for messages to countries on a non-gold basis which incidentally would all crop up again in the event of another wide fluctuation in exchange. It was necessary to take immediate action to secure Government against the

continuance of the heavy loss arising in this connection out of the crisis and in the circumstances the course adopted seemed the most suitable.

As a result the Indo-English wireless and cable rates which were previously 12 annas and Re 1 per word were temporarily raised respectively to Re. 1 and Re. 1-5, but an assimilated rate common to both cables and wireless of annas 15 per word had since been introduced. A special departure from the International Convention system had been arranged in agreement with the Companies whereby, although the collecting rate for Indo-English messages remained nominally at Francs 1.40 per word, an arbitrary equivalent had been temporarily adopted for purposes of converting this rate and its component shares into Indian currency. If the charges were recovered and the shares of the different administrations were divided in the ordinary way with strict reference to the existing gold value of the rupee this charge of 15 annas would have to be substantially increased (to about 18¾ annas) but in virtue of the special arrangement made between the Government of India and the companies concerned this had been avoided, the charge being maintained at the lower rate and the Indian Radio and Cable Communications Company accepting a proportionately smaller share of the sums recovered. For all practical purposes therefore the rates and division were for the time being effected on a rupee basis.

CODE WORDS IN TELEGRAMS.

(*See Reports*, 1908, *pages* 59, 300 ; 1909, *pages* 35, 315 ; 1926, *Vol. I, page* 224 ; 1928, *Vol. I, page* 176 ; 1929, *Vol. I, page* 168 ; 1930, *Vol. I, page* 151.)

The International Telegraph and Radio Conference was held at Madrid in September 1932. One of the subjects

discussed at the Conference was the substitution of a five letter code word system for the ten letter code word system in use.

In addressing the Director-General of Posts and Telegraphs on the subject in April 1932 the Committee placed on record an emphatic protest against any extension of the five letter system unless the charge for five letter words was fixed at half the existing charge for ten letter words. The Committee at the same time enquired as to the attitude which the Government of India intended to adopt towards the proposals. In reply the Indian Posts and Telegraphs Department informed the Chamber that the Indian delegates to the Conference had been instructed to bring to the notice of the Conference the desire of commercial bodies in respect of code telegrams and try as far as practicable to safeguard their interests in the matter. The Committee replied that they trusted that this meant that the representatives of the Government of India would actively support the views of the commercial community.

Subsequently it was reported in the press that, against British and American opposition, the plenary meeting of the Radio Telegraph Conference resolved to adopt a five letter code instead of the existing ten letter one. The Chamber was informed unofficially that the five letter code would be enforced and that the rate would be 60 per cent. of the full ten letter word rate with a minimum of five words.

In December 1932 the Karachi Chamber suggested that the Associated Chambers should lodge a strong protest with the Government of India against the decision of the Radio Telegraph Conference to adopt a five letter code instead

of the existing ten letter code. In replying to this reference the Committee said that they understood that the delegation from Great Britain to the Conference, having made the strongest possible protest against the abolition of the usage of the ten letter code in international telegrams and finding themselves and other supporters of the *status quo* outvoted by the other administrations represented at the Conference, proposed to associate themselves with the abolishing resolution. If this was so, there would appear to be little use in India taking any other course than that taken by Great Britain and there did not seem to be much point in lodging a protest with the Government of India. If, however, there was any prospect of the question being re-opened, the Committee said that they would be in favour of protesting against the decision of the Conference.

The following resolution on the question was submitted by the Burma Chamber and unanimously adopted at the annual general meeting of the Associated Chambers of Commerce of India, held at Calcutta on the 9th and 10th January 1933 :—

" That in consideration of the proposals made at the recent Conference at Madrid of the International Telegraph Union (1) to abandon the system of ten letter code words and to substitute therefor five letter code words at an increased effective charge, (2) to abolish week-end letter telegrams, (3) to make the charges for all letter telegrams one-third of the full rate, and (4) to increase the minimum number of words chargeable on letter telegrams from twenty to twenty-five, this Association desires to place on record its emphatic opposition to any change in the regulations, either for plain language, or for code telegrams, which may have the effect of increasing the cost of telegraphic communication or may interfere with the use of existing private codes."

CHARGES FOR REGISTERING TELEGRAPHIC ABBREVIATED ADDRESSES.

(*See Report*, 1931, *Vol. I, page* 181.)

As a result of further representations by the Chambers of Commerce the Government of India decided to reduce the charge for each registered abbreviated address from Rs. 25 to Rs. 20 with effect from the 10th August 1932.

USE OF THE WORD "AIR-MAIL" IN TELEGRAMS.

At the request of a member the Committee in April 1932 addressed the Director-General of Posts and Telegraphs suggesting that the word "Air Mail" which is frequently used in DLT and WLT telegrams should be accepted as a single word in telegrams.

Intimation was subsequently received that the word "Airmail" if written conjointly would be accepted and counted as a single chargeable word.

INDIA-JAVA AIR MAIL SERVICE.

(*See Report*, 1931, *Vol. I, page* 204.)

As was noted in the Chamber's Report for 1931, the following resolution was carried unanimously at the annual general meeting of the Associated Chambers of Commerce of India and Ceylon held at Calcutta on the 14th and 15th December 1931 :—

"That this Association deplores the slow progress so far made by India in the development of aviation, particularly on the trans-India route, and urges Government to take immediate steps towards the inauguration of an air mail service between Karachi and Rangoon;

And that pending any other air facilities, arrangements be made by Government with any available service for the conveyance of air mails between air terminus in India and Rangoon and between Rangoon and any other country further east, so as to ensure that these services are available to the public at large and particularly to the commercial and trading public."

The Chamber subsequently received from the Associated Chambers a copy of a letter which had been addressed to the Bengal Chamber by the Calcutta agents of the Royal Dutch Air Lines in which the latter stated that advice had been received from the Secretary to the Government of India in the Department of Industries and Labour, that certain decisions had been reached by the Government of India the principal of which was that mails from India and Burma *for other countries in the East*, which were not carried at the moment might be loaded at Calcutta, Akyab or Rangoon. The detailed arrangements to give effect to this decision were being put in hand by the Director-General of Posts and Telegraphs. As soon, therefore, as these detailed arrangements had been completed, the K.L.M. would be used for the carriage of special articles from Calcutta to Bangkok, the Straits and Java so that the wishes of the commercial community of Calcutta in this respect would have been met.

The first eastward despatch was made by the aeroplane which left Calcutta on the 5th October 1932 by the French (Air Orient) air service for Siam and the French Colonies in Indo-China and on the 6th October by the Dutch (K.L.M.) air service for Siam, the Malay States, the Straits Settlements and the Dutch East Indies.

The following resolution, on the motion of the Burma Chamber, was adopted unanimously at the annual general

meeting of the Associated Chambers of Commerce of India held at Calcutta on the 9th and 10th January 1933 :—

That this Association appreciates the concessions recently made whereby the services of the Dutch and French Air Lines may be utilised for the carriage of letters eastwards to points outside India from Calcutta, Akyab and Rangoon, and from Rangoon to Calcutta for oncarriage by air mail from Karachi, but strongly recommends Government to make arrangements for the introduction at the earliest possible date of a British or Indian Air Mail Service from Karachi to Rangoon to complete the Indian link of the Imperial chain of air services; the service across India should be permitted to carry fare-paying passengers, freight and mail of all kinds between points within India, as well as to and from points outside India, to which the service may be extended. This Association further recommends that in the interval before this trans-India service is inaugurated the public should be allowed to utilise to the full the advantages offered by the Dutch and French air services at present plying across India, so that those services may carry mails and fare-paying passengers between points within India, and in particular that when the Dutch Air Mail leaves Rangoon for Calcutta too late for connection with the Delhi Mail and the Delhi-Karachi Air Mail Service the Dutch Air Mail should be allowed to carry air mails from Burma on to Karachi in order to make the connection with the Imperial Airways Service to London.

KARACHI MADRAS AIR MAIL SERVICE.

(*See Reports*, 1930, *Vol. I*, *page* 156; 1931, *Vol. I*, *page* 198.)

An air mail service between Karachi and Madras halting at Ahmedabad, Bombay and Bellary and working in conjunction with the Imperial Airways Karachi-Croydon air mail service, was introduced with effect from the 15th October 1932.

MAIL CONTRACT WITH THE BRITISH INDIA STEAM NAVIGATION CO., LTD

(*See Report*, 1922, *Vol. I*, *page* 205.)

The Chamber in July 1932 received from the Government of Bombay a copy of a letter from the Director-General of Posts and Telegraphs intimating that the agreement with the British India Steam Navigation Company, Limited, for the conveyance of mails would expire on the 31st January 1934. The Government of Bombay enquired whether the Chamber had any suggestions to make for the modification or improvement of the existing mail service provided by the British India Steam Navigation Company, Limited.

The Committee replied that they had no suggestions to put forward.

ISSUE OF BILLS OF LADING ONLY UPON PRODUCTION OF MATES' RECEIPTS.

The Government of India in November 1932 asked for the views of the Chamber on a suggestion that had been made to them by the Federation of Indian Chambers of Commerce and Industry that legislation should be undertaken to provide that Bills of Lading should be issued only upon production of the relevant Mates' Receipts.

The suggestion apparently arose out of the fact that in a large number of mercantile contracts, for example in the Jute and Hessian trade in Calcutta it was provided that the buyer had to pay the full value of the goods against a Mate's Receipt. In a chain of transactions several intermediate dealers came into existence between the first seller, *e.g.*, the Jute Mill and the ultimate buyer, namely the shipper.

Shipping instructions were sent by the ultimate buyer, namely the shipper, and were passed on through the intermediate dealers to the first seller, namely the Jute Mill. In the course of things, the contract of affreightment was between the shipper and the shipping company. The first seller, namely the Jute Mill, placed the goods on board, and had to do so on account of the shipper who entered into the contract of affreightment and who alone was recognised by the shipping company. The first seller got from the ship's officers a document called the Mate's Receipt which was passed on through the intermediate dealers each of whom had to pay the full value of goods to the preceding seller. It had been held by the High Courts in India that a shipping company had connection only with the shipper and if it issued to him the Bill of Lading without production of Mate's Receipt, it was not liable to the intermediate dealers who might have paid for and held the Mate's Receipt. Arising out of this legal position, it was alleged that several dealers in Calcutta had been put to loss on account of the shipping company having delivered the Bill of Lading to the shipper who failed to pay for and obtain the Mate's Receipt.

The difficulties pointed out were apparently due to the fact that whilst the law did not recognise Mates' Receipts as documents of title the Hessian trade in Calcutta did.

As this was a matter that more directly concerned the Jute industry the Committee have asked the Bengal Chamber to favour them with its views before replying to the Government of India.

CONSIGNMENT OF SULPHUR.

Claim against Steamer Agents.

In November 1932, a member informed the Committee that they had imported a consignment of sulphur in single

gunny bags which was landed from the steamer with the majority of the bags in a damaged and torn condition. They stated that no protest as to the condition of the bags was noted by the shipowners at the time of loading or at the time of discharge and there was also no clause in the bill of lading to the effect that the steamer was not responsible for any damage on account of the sulphur being in single gunny bags. The member submitted a claim to the steamer agents who repudiated liability and refused to meet the claim on the ground that it was the custom of the port of Bombay for steamer agents not to accept responsibility for damage sustained to single bag cargo. The member enquired whether the steamer agents had the right to refuse the claim for this reason even though the bill of lading was not claused to the effect that the steamer was not responsible for damage to single bag cargo.

The Committee considered the question in consultation with the Shipping & Export Sub-Committee of the Chamber and they found it difficult to express an opinion with regard to the liability of a steamship company for cargo packed in single gunnies; in their opinion each case should be treated on its merits and was a matter for compromise as between the shipping company and the consignee of the goods.

In replying to the member to this effect the Committee pointed out that there was no custom of the port of Bombay which would confirm either admission or repudiation of liability on cargo packed in single gunnies and, as far as the Committee were aware, each steamship company had its own particular method of adjudicating claims in terms of the respective company's bill of lading. Generally speaking, if bags were accepted for shipment in single gunnies without any qualifying remarks as to the quality of the fabric or condition

of the bags, it was natural for the consignee to expect the goods to be delivered in like sound condition at destination. The mere fact of the bags being single gunnies (if this was the customary packing) would not exempt the steamship company from liability unless it was ascertained that the bags on outturn were found to be of a poor quality or to have deteriorated owing to the nature or inherent vice of the contents.

INDIAN MERCHANT SHIPPING ACT, 1923.

Pilgrim Ships.

(*See Report*, 1931, *Vol. I*, *pages* 166, 167, 168 *and* 171).

A Bill further to amend the Indian Merchant Shipping Act, 1923, was introduced in the Legislative Assembly on the 12th March 1932. In the statement of objects and reasons attached to the Bill it was mentioned that in March 1929, the Government of India, in pursuance of an undertaking given in September, 1928, in the course of the debate on a non-official Resolution moved in the Legislative Assembly, appointed a Committee to enquire into the arrangements in force for pilgrims proceeding to the Hejaz from India. The Committee submitted an exhaustive report which contained several recommendations for the amendment of the Indian Merchant Shipping Act, 1923. The Government of India examined these recommendations in consultation with Local Governments and Administrations, Shipping Companies, Chambers of Commerce, and other interested parties including the Standing Haj Committee of the Indian Legislature, and came to the conclusion that it was desirable that the Act should be amended in several respects. The Bill was designed to provide for the carrying out of the requisite amendments. Opportunity was also taken to make provision

for effecting a few small amendments arising out of the International Sanitary Convention of 1926. The Convention had not yet been ratified by India, but in view of the likelihood that it would be ratified in the near future, it seemed advisable that the Act should be brought into conformity with the requirements of the Convention, so as to avoid the necessity of revising the Act a second time if and when the Convention was ratified.

As the Bill related solely to pilgrim ships and the pilgrim traffic the Committee consulted the interests concerned and on being favoured with the latter's view they addressed a representation in support thereof to the Government of India drawing attention to certain objectionable features contained in the Bill. The Bengal Chamber also addressed the Government of India and associated themselves with the views expressed by this Chamber. (*See Appendices.*)

LIGHT DUES.

(*See Reports*, 1927, *Vol. I, page* 174 ; 1928, *Vol. I, page* 194 ; 1929, *Vol. I, page* 182 ; 1930, *Vol. I, page* 182 ; 1931, *Vol. I, page* 231.)

The following Notification was issued on the 19th March 1932 by the Department of Commerce of the Government of India :—

Notification No. 25-P. & L.-(3)/31.—In exercise of the powers conferred by sub-section (1) of section 10 of the Indian Lighthouse Act, 1927 (XVII of 1927), and in supersession of the notification of the Government of India in the Department of Commerce No. 25-P & L/31 dated the 7th March 1931, the Governor-General in Council is pleased to prescribe that light dues shall be payable at the rates specified below, namely :—

(*a*) All ships, other than sailing ships, arriving at, or departing from, any port in British India, except the vessels mentioned in (*b*) below.	One anna and three pies per ton.

(*b*) Ships, other than sailing ships, calling at Aden and/or Perim and not proceeding to another port in British India.	One pie per ton.
(*c*) Sailing ships	Half the rates in (*a*) and (*b*) above.

The Associated Chambers of Commerce of India and Ceylon in October 1932 intimated that Mr. R. R. Haddow had resigned his seat on the Central Advisory Committee for Lighthouses on proceeding to England on leave and that it had been suggested that Mr. A. B. Mallett might be nominated to fill the vacancy. The Committee informed the Associated Chambers that they approved of the nomination of Mr. Mallett.

In December 1932 the Associated Chambers informed the Chamber that Sir Philip Browne had resigned his seat on the Central Advisory Committee for Lighthouses and that the Government of India had requested the Association to nominate another representative. The Association enquired whether this Chamber desired to put forward a nomination and at the same time intimated that the name of Mr. A. O. Brown had been suggested. The Committee informed the Associated Chambers that they approved of the nomination of Mr. A. O. Brown.

ARTICLES OF AGREEMENT OF INDIAN SEAMEN.

(*See Report*, 1931, *Vol. I*, *page* 228.)

It was mentioned in the Chamber's Report for 1931, that the Committee in again addressing the Associated Chambers of Commerce of India and Ceylon in regard to a certain clause appearing in the Article of Agreement of Indian seamen stated that they were in favour of immediate

reference to Government but that they were withholding such reference owing to lack of support from the Bengal Chamber.

A copy of the Committee's letter was sent by the Associated Chambers to the Bengal Chamber who, in replying, stated that the question had been reconsidered in consultation with the Shipping Sub-Committee of that Chamber. It was understood that since the discussion on the point originated the Government of India had agreed, at the request of the City Line, to the insertion in Seamen's Articles of Agreement, of an additional clause to the following effect :—

" In the event of the vessel or any other vessel to which the crew may have been legally transferred returning to a port in British India other than the port of final discharge, for the purpose of being " laid up " for an indefinite period, the said crew hereby agree to be repatriated to the final port of discharge on the following conditions :—

(*a*) that they will be repatriated at the owner's expense to the final port of discharge and will have the option of proceeding by rail or ship ;

(*b*) that wages up to the time of arrival at the final port of discharge, based on the time it would take the vessel to proceed to the final port of discharge, will be paid to them ;

(*c*) that they will have the option of accepting the cost of repatriation by rail or ship, *plus* estimated wages, in lieu of being repatriated to the final port of discharge.

The Bengal Chamber was also informed that this clause now appeared on the City Line Articles both from Bombay and from Calcutta, and it was suggested that in the circumstances the Bombay Chamber might be disposed to consider that it was not necessary to take any further action.

The Committee again considered the matter in consultation with the Shipping and Export Sub-Committee of the Chamber and in replying to the Associated Chamber they

stated that in their opinion the clause quoted above was satisfactory for steamers being "laid up" except that it should be so modified as to make the option of the method of repatriation lie with the shipowner and not with the crew, who might abuse the privilege by exercising the option of accepting the cost of repatriation by ship *plus* estimated wages for the voyage and then find their own way by rail.

RECRUITMENT OF SEAMEN IN BOMBAY.

(*See Report*, 1932, *Vol. I, page* 224.)

It was mentioned in the Chamber's Report for 1931, that the Chamber had addressed the Government of Bombay in regard to the difficulty that had been experienced by various shipping companies employing Indian seamen in obtaining suitable crews for their steamers. From the reply received from the Principal Officer, Mercantile Marine Department, Bombay District, it appeared that while admitting that there were some cases of intimidation on the part of the Union Officials, the Shipping Master had not found it possible to take direct action against them for want of sufficient evidence.

Under the circumstances it seemed to the Committee of the Chamber that shipping companies would be left to find a solution to the present difficulties and that in their own interests, they should endeavour to do so. The Committee accordingly suggested to the companies that an arrangement on the following lines might be considered with a view to its adoption by those companies who found it feasible.

(1) A register to be maintained by Shipping Companies wherein would be entered the names and particulars of all the ratings at the

time they were signed off, a note being taken whether or not they were members of the Union.

(2) When a crew or individual ratings were required, a selection would be made by the Shipping Company from those men who were shown on their register as being next in turn for employment, those registered as non-Union members being recruited by the Shipping Company direct, while application would be made to the Union, to supply those ratings who might be shown in the Shipping Company's register as being Union members.

(3) In selecting crews, men who for reasons beyond their control were unable to serve more than six months in continuous employment would (other things being equal) be given preference over those ratings whose previous record of employment was twelve consecutive months.

(4) Except in the case of principal ratings such as serangs, butlers, cooks, bakers, munshis, etc., the Shipping Company would endeavour, as far as possible, to arrange for employment to be given by turns to all its regular ratings.

(5) A representative of the Union might, if desired, call at the office of the Shipping Company when a crew was to be engaged to ascertain what portion, if any, of the men required and selected by the Company were registered with the Company as Union members and to arrange for those ratings to present themselves for employment.

It was felt that an arrangement on these lines would conform with the Labour Commission's recommendations, namely :—

(1) The choice of selection to be with the Shipping Company.

(2) No " First Voyagers " to be employed.

(3) Employment of regular employees in turn as far as practicable.

(4) Closer co-operation between Companies and the Trade Unions.

EMPLOYMENT OF LASCAR SEAMEN IN NORTHERN LATITUDES DURING WINTER MONTHS.

(See Reports, 1896, pages 84, 315 ; 1902, page 66 ; 1924, Vol. I, page 273 ; 1925, Vol. I, page 223.)

The Government of India in November 1932 forwarded to the Chamber a copy of a representation that had been received from the Indian Trades Union Federation urging that the Government of India should remove the prohibition on the employment of lascar seamen in northern latitudes during the winter months.

In asking for the views of the Chamber on the question the Government of India enquired whether, and if so what, safeguards should in the opinion of the Chamber be provided in the lascar Articles of Agreement in the event of the prohibition in question being removed, in order to ensure that satisfactory arrangements should be made for the comfort of the lascars and for the protection of their health, whilst employed in excessively cold areas.

After consulting the Shipping Sub-Committee of the Chamber the Committee informed the Government of India that they were of opinion that lascars should be permitted to serve in latitudes beyond the limits at present laid down provided they had expressed their willingness to do so. The safeguards to be embodied in their Articles of Agreement should include arrangements for the adequate heating of their quarters and the provision of warm clothing, boots and extra foodstuffs.

STORAGE OF GROUNDNUTS AT PORT TRUST GRAIN DEPOT.

The Bombay Underwriters' Association in December 1932 drew the attention of the Committee to a case in which

groundnuts were loaded in Bombay on a steamer which thereafter spent some four weeks on the Kathiawar Coast before sailing for the Continent. In checking the temperature of the holds before the vessel finally sailed for Europe heating was discovered which was traced to the cargo in question. The groundnuts were discharged and left behind in Bombay. The Association was of opinion that the groundnuts which were of the old crop, must have absorbed sufficient moisture in the Bombay Port Trust Grain Depot during the rains to set up heating when stowed in the hold of a steamer and that the heating might not have occurred if the steamer had sailed direct for the Continent. The matter was taken up with the local representatives of shipping companies interested and they naturally could not agree to bind themselves to accept groundnuts only for direct shipment. Further the consensus of their opinion was that all necessary precautions were taken in regard to stowage and the Association was forced to the conclusion that the defect lay in the storage at the Grain Depot.

The Association added that it understood that the Port Trust godowns at the Grain Depot were open sheds and that the general practice for protection in the rains was to suspend screens of gunny cloth from the eaves of the roof.

The Association enquired whether the Chamber had information on the subject and what action, if any, it considered might be taken for the better protection of goods in the Grain Depot.

After consulting the Shipping and Export and Docks and Railways Sub-Committees the Committee informed the Bombay Underwriters Association that reports from shippers who had consistently used the Grain Depot since its inauguration in 1915 went to show that they had never experienced

any trouble of the nature complained of and that goods stored in the Grain Depot had remained in perfect condition throughout the year.

In the opinion of the Committee all the evidence placed before them pointed to the fact that the source of the trouble in the particular case to which the Association referred could not have been the Bombay Port Trust Grain Depot, and in the circumstances they felt that there was no case to take up with the Port Trust.

BOMBAY PORT TRUST CHARGES.

(*See Reports*, 1925, *Vol. I, page* 54 ; 1926, *Vol. I, page* 273.)

The Committee in May 1931 appointed a special Sub-Committee consisting of Messrs. R. R. Haddow, W. Deacon, S. Fuchsmann, H. A. Haracopos and G. Moore to consider the question of the wharfage and other charges levied by the Bombay Port Trust in comparison with other ports. It was not proposed to make a general complaint to the Port Trust but to bring to the notice of the Trustees cases in which the charges in Bombay were higher than those at other ports for specific commodities.

The special Sub-Committee in the first place approached (1) the Import, (2) the Shipping and Export and (3) the Docks and Railways Sub-Committees with a view to obtaining the following data :—

(1) *Import*—the comparative cost of importing certain standard commodities.

(2) *Shipping and Export*—the comparative cost of shipping certain standard commodities.

(3) *Docks and Railways*—(a) whether the border line, from the Railway point of view, between Bombay

and competing ports, had moved nearer to Bombay than it was in 1925 in respect of the principal articles of export, and (b) the actual cost of labour, working cranes, etc. in Bombay as compared with other ports and the comparative cost of handling ships at the ports

The data thus collected was submitted in June 1932 to a Sub-Committee consisting of Messrs. R. R. Haddow, J. P. Galatti and L. A. Halsall for investigation and, if considered necessary, drafting a representation to the Port Trust suggesting directions in which charges should be reduced. This Sub-Committee had an informal discussion with the Chairman of the Port Trust and the Acting Docks Manager on the 22nd June 1932.

The Sub-Committee subsequently reported to the General Committee that from the information before them it appeared that the charges of the Bombay Port Trust did not, on the whole, compare unfavourably with charges at the other major ports, so far as the import trade was concerned. In view of the serious fall in Port Trust revenues the Sub-Committee did not think that the Port Trust was likely to entertain any general reduction in charges and they considered therefore that no good purpose would be served by making a formal representation to the Port Trust. They felt, however, that if it could be shown that there were specific instances where a reduction in the rates charged might bring increased revenue to the Port Trust by attracting more trade to the port or resulting in greater use being made of the facilities provided by the Trust, the latter might give sympathetic consideration to such cases.

The Committee agreed with the views of the Sub-Committee and decided to take no further action at the moment.

DEBIT BY PORT TRUST OF UNDERCHARGES AGAINST PERSONAL DEPOSIT ACCOUNTS.

A member in February 1932, drew the attention of the Committee to the fact that the Port Trust had debited their deposit account with certain undercharges on account of wharfage fees without first notifying the member. The Port Trust had stated that they could not undertake to give official advice of undercharges but the standing orders were that the same should be brought to the notice of the importer's or exporter's Dock representative before debiting their account.

The member did not consider this procedure satisfactory as they were of opinion that a mere reference to a Dock clerk on a small salary should not be sufficient authority for raising debits against a Company's deposit account.

The Committee after consulting the Shipping and Export Sub-Committee informed the member that under certain conditions the Bombay Port Trust allowed certain merchants the privilege of a personal deposit account in order to enable them to expedite the clearing of cargo. The facilities and benefits gained thereby by such merchants should not be overlooked. Naturally the Port Trust did not wish to be involved in extra correspondence and expense through these deposit accounts. They must have the right to claim undercharges and the procedure adopted for doing so did not seem unreasonable to the Committee. It was suggested that the member's remedy would be to instruct their dock clerk whenever he was notified of an undercharge being debited to their account to bring the matter at once to their notice and for them, if necessary, to take up the matter immediately with the Port Trust Audit Department.

Under the circumstances the Committee did not consider that there was any case to be taken up with the Port Trust.

LIABILITY OF DOCK DELIVERY ORDERS TO STAMP DUTY.

(*See Report*, 1931, *Vol. I*, *page* 238.)

A member in addressing the Committee in May 1932, in regard to the stamping of dock delivery orders stated that there were occasions when to avoid minimum freight, their home office combined several shipments for different dealers on one "common" Bill of Lading. The invoices and the drafts were made out on dealers in the usual manner, and the Bill of Lading also went through the Bank. The Bill of Lading was made out to "order." Attached to the invoice by their home office was a delivery order requesting the Bank to deliver the relative goods to their order on payment or acceptance of the draft, whichever was necessary. The procedure followed was that the Bank handed over the Bill of Lading to the member and endorsed the delivery order when the indentor accepted or paid the bill. The member lodged the Bill of Lading with the Port Trust and issued a fresh delivery order in the indentor's favour on the Port Trust, in exchange for the endorsed Bank's delivery order.

Hitherto the member had not affixed a one-anna stamp on the Port Trust delivery order as they considered that

(1) there had been no transfer of the goods, these being bought, shipped and invoiced to a dealer against his indent and

(2) their home office and they themselves were merely acting as the indentor's agent.

The member drew the attention of the Committee to page 239 of the Report of the Chamber for 1931, in regard to liability of dock delivery orders to stamp duty and added that it might be argued, also, that as the drafts on dea e s were " advance bills " the Bank regarded the goods as their security against defaulting dealers or drawees, and the goods were the Bank's property until the transaction was completed and a transfer of the goods thus took place. As the Bill of Lading was made out to order, the ownership of the goods might be vested in the holder of the Bill of Lading, in this instance themselves, and here again a transfer might be said to take place. The member held the view that no local sale or transfer took place, as the goods were bought and invoiced by their home office direct to the local indentor. They asked the Committee's advice in the matter.

The Committee after consulting the Import Sub-Committee informed the member that in their opinion the delivery order should be stamped.

RIOTS IN BOMBAY.

LEVY OF DOCKS EXTRA FEES.

The following order dated 16th May 1932 was issued by the Bombay Port Trust :—

" As a result of the rioting in Bombay, it has not been possible for importers to effect deliveries of their goods from the Docks. It has therefore been decided that Monday the 16th instant and all succeeding days up to a date to be notified later are to be considered as *dies non* for the purpose of calculating extra fees. This means that all Landing Dates will continue to be fixed in accordance with the ordinary rules, but that all days commencing from Monday the 16th until such date as deliveries recommence (which will be notified in due course by the Docks Manager) will be treated as " Sundays " in assessing the extra fees leviable on cargo landed in the Docks.

This exemption from extra fees is however not applicable to export cargo awaiting shipment in the Docks since the duty work of the vessels was not interfered with."

In an order dated 21st May 1932 it was stated that the above concession would be withdrawn from midnight on Sunday, 22nd May 1932. Extra fees as usual would be levied with effect from Monday, 23rd May 1932.

In view of the disturbed conditions existing in the City, Friday, 3rd June and Sunday, 5th June 1932 were also treated as *dies non* for the purpose of calculating extra fees in respect of all import cargo.

STORAGE OF FULLY PRESSED BALES OF HEMP IN PORT TRUST GODOWNS.

An exporting firm in Bombay in August 1932 brought to the notice of the Committee that in accordance with Port Trust By-Law No. 109 permission was being refused to place fully-pressed bales of hemp in the Port Trust godowns. It was pointed out that hemp bales could not usually be loaded direct into the steamer and that if they were left standing in the open exposed to the weather during the monsoon the steamship company might refuse to ship them in a damaged and dirty state and further that it was impossible to insure the goods in such conditions. It was stated that no such restrictions existed at the Calcutta and Madras docks and that as the bulk of the hemp came from the Central Provinces and adjoining areas there was great danger of the hemp export trade being diverted to other ports with consequent loss to the Bombay Port Trust revenues.

The Committee after carefully examining the question in consultation with the Shipping and Export Sub-Committee

addressed the Bombay Port Trust stating that they thought it reasonable to ask that permission should be granted to store fully-pressed bales of hemp in the dock sheds pending export. Otherwise it would appear impossible for any hemp to be exported during the monsoon as it was rarely practicable to arrange for shippers to bring their hemp alongside the steamer as required for shipment and it would also make measuring somewhat complicated. In steamers pressed bales of hemp received the same storage as cotton, jute, etc., and there seemed no reason why they should not receive equal treatment as regards the use of the dock sheds.

The marginal note to By-Law No. 109 referred to "unpressed hemp," but the actual wording of the By-Law was somewhat ambiguous and might be read as referring to either pressed or unpressed bales. Whatever might be the correct interpretation the Committee considered that steps should be taken forthwith to permit the storage of pressed hemp in the dock sheds and that, if thought necessary, By-Law 109 should be amended accordingly.

The Committee were subsequently informed by the Port Trust that Government had sanctioned, with effect from 1st November 1932, the amendment of Docks By-law No. 109 to permit of hemp in fully pressed bales being accepted for storage in docks transit sheds pending shipment.

CONTROL OF THE COTTON TRADE IN BOMBAY.

(*See Reports*, 1921, *Vol. I, page* 202 ; 1922, *Vol. I, page* 283 ; 1930, *Vol. I, page* 213 ; 1931, *Vol. I, page* 259.)

It may be recalled that the attempt made by the Government of Bombay in 1932 to give effect to the recommendations of the Wiles Committee for the control of the cotton

trade in Bombay by a single authority and for the amending of the constitution of the East India Cotton Association was defeated by the Legislative Council's acceptance of the principle that any registered Association founded in the City of Bombay might be given the power to control dealings in cotton.

Early in 1932 the Government of Bombay forwarded to the Chamber a copy of a representation that had been received from the East India Cotton Association Ltd., requesting that in the interests of the cotton trade, steps might be taken to extend the life of the Bombay Cotton Contracts Act, 1922, up to 31st August 1933, pending the introduction of legislation for the amendment of the Act. The Committee in reply informed the Government of Bombay that they approved of the extension of the life of the Act to 31st August 1933.

On the 5th August 1932 the Government of Bombay issued a Notification directing that the Act should remain in force for a further period up to and including the 31st October 1932.

On the 24th of August 1932 a Bill to provide for the better regulation and control of transactions in cotton in Bombay was published in the *Bombay Government Gazette*. In the statement of objects and reasons attached to the Bill it was mentioned that the Bombay Cotton Contracts Act, 1922, would expire at the end of October 1932, unless it was further extended by notification. The Bill was intended to take its place.

Clauses 1 to 8 of the Bill followed the general lines of the Act of 1922, with this difference that whereas the Act of 1922 provided for the recognition only of the East India

Cotton Association Ltd., the present Bill followed the lines of the Bombay Securities Contracts Control Act, 1925, under which the Native Share and Stock Brokers' Association was recognised. While providing for recognition of the East India Cotton Association and its existing articles of association and by-laws it enabled Government to recognise more than one cotton association, if at any time it should be found desirable to do so, and also provided for the withdrawal of recognition from the East India Cotton Association or any other body which might have been recognised under the Act. Government's policy was that there should normally be one body in control of the cotton trade of Bombay, but if at any time that one association showed itself over a period of time unable to provide for the proper regulation of cotton market in Bombay then it was necessary that Government should have power to license another association. And for this power to be effective it must also have the power to withdraw recognition.

Clauses 9 and 10 of the Bill gave Government special powers to deal with times of abnormal trade. For a long time past trading in the Bombay cotton market had been very irregular and the operations of many dealers had been persistently obstructed and interfered with. Government realised that world factors had aggravated the situation; but after consulting all sections of the trade they were satisfied that the regulation of the Bombay cotton market had been seriously defective. Government considered it necessary that, in case the disorganisation of the market should continue or recur, they should be empowered to interfere and improve that regulation in such a way as to secure free trading in the market and to minimise outside interference. In normal times Government did not desire to interfere in

matters of trade, except to the extent necessary to give statutory recognition to whatever organisation the trade might find best suited to its needs. But the events of the past few months had made it clear that the present organisation of the Bombay cotton market had been unsuited to abnormal circumstances, and the control of cotton in Bombay was not merely a matter of local concern. The ramifications of the trade extended to cotton-growing districts throughout India and the effects of disorganisation in Bombay were quickly felt in the rural areas and up-country markets. Government therefore considered it necessary to ask the legislature to give them the special powers provided in clauses 9 and 10 of this Bill, partly in the interests of a number of *bona fide* traders and dealers in Bombay who were anxious to trade in the normal way and had been prevented from doing so, but particularly in order that the growers of cotton throughout India might obtain the best possible prices for their produce, for which purpose free and regular trading in the Bombay market was essential.

In recognition of the service which the Bombay cotton market owed to cotton growers throughout the country Government would require that, as a basis for continuing the recognition of the East India Cotton Association or of recognising any other association in its place, it should have three representatives of the growers of cotton on its board of directors.

Government were, moreover, satisfied that a contributory cause of the weakness and ineffectiveness of the present association in regulating the Bombay cotton trade had been that, despite the statutory powers of regulation which had been given to it, it had allowed one of the two main cotton

markets in Bombay to be controlled by a subsidiary association, the Bombay Cotton Brokers' Association. Consequently Government required that in future any recognised association should be in sole possession and control of its markets.

The Committee of the Chamber, in common with other commercial bodies and trading associations in Bombay, had been furnished with particulars of the Bill in advance and asked for their views. While agreeing generally with the principle that Government interference with trade was undesirable, the Committee expressed the opinion that conditions in the cotton trade in Bombay for some time past had been such that this principle did not apply in this instance; further, that it was essential for the safeguarding of the interests of an important section of the trade, Indian, British and foreign, that the provision contemplated in clauses 9 and 10 should be made. In the Committee's opinion there were no clauses in the Bill which need cause anxiety to cotton growers or traders who were willing to trade honestly and freely. The Committee submitted certain criticisms and suggestions some of which were embodied in the Bill as published.

The Bill was introduced in the Legislative Council on the 19th September 1932 and after the adoption of certain amendments, the most important of which was one limiting to five years the period during which clauses 9 and 10 should remain in force, it was read for the third time and passed on the 22nd September.

In exercise of the powers conferred by sub-section (2) of Section 2 of the Act the Governor in Council directed by a Notification dated 28th October 1932, that the Act should come into operation with effect from the 1st day of November 1932.

UNIVERSAL STANDARDS FOR INDIAN COTTON.

The Indian Central Cotton Committee in September 1932 informed the Chamber that for some time past the question of the adoption of universal standards for Indian Cotton had been under their consideration and at a meeting held on the 1st August 1932 the following resolution was passed :—

" That a copy of the previous discussion on this subject be circulated to all commercial and agricultural bodies interested in cotton and to the Government of India and that the matter should be brought up at the next meeting of the Committee for further discussion and final decision."

The Chamber was asked for its views on the subject.

After consulting a special Sub-Committee consisting of Sir Joseph Kay, Messrs. G. C. R. Coleridge, S. B. Samoilys, G. Boyagis and C. P. Bramble, the Committee informed the Indian Central Cotton Committee that they felt that although it might be desirable to introduce universal standards for Indian cottons it would be preferable to aim in the first place at the establishment of uniform standards in India itself and, when in the course of time this had been accomplished, the larger question of adopting universal standards might be considered.

The Committee were of the opinion that the establishment of uniform standards in India should be arranged by private negotiation as was done in the case of the Punjab-American and Sind cottons between the Karachi Joint Cotton Committee and the East India Cotton Association and that legislation should only be undertaken to give effect to any agreement so reached.

LICENSING OF GINNING AND PRESSING FACTORIES.

(*See Report*, 1924, *Vol. I*, *page* 133.)

The Indian Central Cotton Committee in March 1932 asked for the views of the Chamber on the desirability of tightening up the Cotton Ginning and Pressing Factories Act by a system of licensing all ginneries and presses working in British India. The Indian Central Cotton Committee added that it was aware that the time might be inopportune to ask for fresh legislation owing to the impending political changes in India, but it felt that the earliest opportunity should be taken to recommend measures which had as their object the protection of the cotton cultivator from losses caused by a small section of the trade.

The Committee after carefully considering the question in consultation with a special Sub-Committee of the Chamber stated that in commenting in 1931 on a review published by the Indian Central Cotton Committee on Cotton improvement in India, they had expressed the opinion that the application of the Cotton Ginning and Pressing Act needed severely tightening up if that piece of legislation was to prove effective and have the desired effect of preventing the many abuses which, it was alleged, took place either in the ginning factory or the press house. It was felt that unles this Act worked more satisfactorily during the next two years it ought to be repealed at the end of that period. The Committee had in mind the compulsory licensing of gins and presses and they were strongly of opinion that the time had come for introducing legislation to this end, without which they thought it would not be possible to overcome the difficulties and malpractices which had hampered the trade for so long. The Committee added that they failed to see why

the possibility of a change in the constitution should have any bearing on a non-political proposal of this nature.

PLEDGE OF COTTON.

SECTION 178 OF THE INDIAN CONTRACT ACT.

(See Report 1931, *Vol. I, page* 71.)

As was recorded in the Chamber's Report for 1931 the Committee, at the instance of the Exchange Banks Association, in addressing the Government of Bombay urged that Section 178 of the Indian Contract Act IX of 1872, as amended by Act IV of 1930, might be further amended by the addition of an explanation to the effect that "A muccadam and commission agent in cotton in the Presidency of Bombay shall be deemed to be a mercantile agent for the purposes of this section."

The Government of Bombay subsequently replied that after considering the proposal in consultation with commercial associations interested in the matter, it had been ascertained that commercial opinion was not unanimously in favour of the proposed amendment, and in view of the divergence of opinion and in particular of the strong opposition of the East India Cotton Association, Government had decided not to pursue the matter any further.

TOWN DUTY ON IMPORTED FOREIGN RAW COTTON.

It was brought to the notice of the Chamber in February 1932 that the Bombay Municipal Corporation contemplated

imposing a town duty on foreign cotton imported into Bombay more or less on the lines of the town duty of one Rupee per bale on Indian cotton entering Bombay.

The Committee asked the Chamber's representative on the Corporation to oppose the introduction of the duty on the following grounds :—

(1) The Chamber had always been opposed to the Town Duty on Indian cotton. One wrong did not justify another. Hence the existence of the Town Duty on Indian Cotton was no justification for a similar duty on foreign cotton.

(2) If a Town Duty was levied on foreign cotton it would divert the trade of Bombay in such cotton to competing Kathiawar ports which were already casting envious glances on this trade. According to reports in the *Times of India*, Ahmedabad mills had already started importing their requirements *via* Bhavnagar. The imposition of the Town Duty would mean that practically the whole of this traffic might be diverted to Kathiawar ports. As Ahmedabad mills consumed large quantities (over 50 per cent. of the imports of Egyptian and African cotton) the new Town Duty would mean another blow to the trade of Bombay.

(3) The levy of a Town Duty would mean not only lower revenues for the Bombay Port Trust, but would also handicap the Bombay mill industry.

(4) Reduction in Bombay's transit trade would react on the Bombay Municipality itself through lower returns of general tax, motor tax, etc.

The Town Duty Officer, Bombay Municipality, in addressing the Committee in April 1932 in connection with the proposal stated that the figures of the imports of foreign cotton into Bombay from 1st September 1931 to 14th April 1932 when compared with the figures for the same period of the previous season, did not, by themselves, point to any alarming gravitation of the trade in this commodity towards any of the Kathiawar ports.

The Committee, however, pointed out that their apprehensions were not based so much on past records as on present inclinations and future possibilities. Unfortunately actual statistics were not available of the imports of cotton into Kathiawar ports, but it was known that Egyptian cotton had, in the previous few months, found a new market in Kathiawar, though possibly not of such dimensions as would account for the large drop in the imports into Bombay. The Committee stated that the only pronounced increase of imports of foreign cotton into Bombay was in respect of American cotton, which, owing to the regulations regarding fumigation could, at the present time, only be handled at Bombay. That these facilities would continue to be confined to Bombay was a matter on which the Committee had reasons to express doubt.

To the Committee, however, it appeared that in the first place the competition between Bombay and Bhavnagar was going to be most seriously felt in regard to the East African imports. The period from 1st September to 31st March was the off season for African cotton and therefore apart from other considerations it did not afford a reliable comparison, particularly, as it was only within the previous month or two that Bhavnagar State appeared to have awakened to an appreciation of the advantageous position it occupied. The Committee understood that during the first three weeks of April 1932 the imports of African cotton into Bhavnagar and Bombay were as follows :—

Bhavnagar	..	..	16,525 bales.
Bombay	..	..	16,513 bales.

As far as the Committee were aware no African cotton was imported into Bhavnagar during the same period of the previous year and they cited this as the first real effect

of the competition of Bhavnagar with Bombay and the consequent loss of trade to the latter port. It might possibly be found that the facilities at Bhavnagar were not sufficiently developed at the moment to enable imports to be maintained in such a ratio but strenuous efforts were being made to improve the facilities, so that even the statistics for the next few months could not be accepted as a true indication of the ultimate loss of trade that was likely to be suffered by Bombay if existing conditions were allowed to continue. The results would be even more serious if the proposed town duty on imported cotton was imposed.

FUMIGATION OF IMPORTED AMERICAN COTTON.

(*See Reports*, 1923, *Vol. I*, *page* 218 ; 1925, *Vol. I*, *page* 279 ; 1926, *Vol. I*, *page* 287 ; 1931, *Vol. I*, *page* 274.)

The Government of India on the recommendation of the Indian Central Cotton Committee in March 1932 sanctioned a refund of fumigation fee at the rate of eight annas per bale on all American cotton imported and fumigated between the 1st April 1930 and the 31st March 1931.

The Bombay Port Trust drew the attention of the Chamber in October 1932 to Clause 3 of the rules relative to the fumigation of American cotton as notified in Notification No. 4388/24, dated 26th November 1925, Revenue Department, Government of Bombay, *viz* :—

Clause 3.—" Cotton other than American cotton which is imported into British India in a vessel carrying American cotton and loaded in the same hatch as any bale or bales of American cotton shall be deemed to have been in contract or in proximity thereto and shall be subject to the restrictions and conditions specified in the said notification."

The Port Trust stated that in consonance with an opinion expressed by the Imperial Entomologist, all cotton of non-American origin carried in any part of the same hatch or

hold of a vessel in which American cotton was stowed even though such cotton was separated from the American cotton should be deemed to have been in contract or proximity with the latter and should be fumigated before being permitted to be landed.

For example, if American cotton was stowed in the lower hold and the hatch covers securely batened down and laid over with tarpaulins on which layers of general cargo were stowed, and Egyptian cotton was stowed in the tween decks of the same hatch, the latter would come within the purview of Rule 3 and would require to be fumigated.

ARTIFICIAL SILK YARN.

Statistics of Imports.

At the instance of a member the Committee in August 1931 asked the Director General of Commercial Intelligence and Statistics if he could arrange for the imports of artificial silk yarn from Japan to be shown separately in the monthly accounts relating to the Sea-borne Trade and Navigation of British India as these imports were on the increase.

The Director General at first was inclined to the opinion that the trade of Japan in this particular commodity did not appear to have become sufficiently important to justify its being separately shown in the monthly accounts. He promised, however, that the statistics of imports of this article from Japan would be watched in his department from month to month and the question of its separate specification would be taken up for consideration in due course in the light of such circumstances as were revealed by the statistics for the whole of the fiscal year.

The Committee in April 1932 in forwarding a statement to the Director General of Commercial Intelligence and Statistics showing the number of packages of artificial silk yarn imported into Bombay month by month from April 1930 to March 1932, drew particular attention to the very marked increase in these imports during the months of January, February and March 1932. In view of these large imports the Committee again enquired of the Director General if he could see his way to arrange for the imports from Japan to be shown separately in the monthly accounts of the Seaborne Trade and Navigation of British India.

No further reply was received from the Director General but commencing with the return for the month of April 1932 the figures have been shown separately.

EXPORT OF GROUNDNUT OIL FROM INDIA TO THE UNITED KINGDOM.

The Chamber in August 1932 was addressed by a firm of importers in England in regard to the heavy cost of shipping groundnut oil from Bombay due to the fact that the shipment of oil in bulk was not possible owing (1) to the lack of facilities in the port of Bombay for loading oil into vessels' tanks, (2) to insufficient tank space being available in Liners and (3) to the limited number of tank wagons owned by the Railways.

After consulting the Shipping and Export Sub-Committee of the Chamber and the various bodies and interests likely to be affected the Committee in replying to the firm in question stated that the total volume of groundnut oil exported from Bombay during 1931-32 was in round figures

443,000 gallons and although this amount was nearly three times that of the two previous years, it only represented some 1,800 to 2,000 tons providing a revenue to the Bombay Port Trust (without the temporary 12½ per cent. surtax) of, say, Rs. 4,500 per annum.

This oil was shipped in 4 to 5 cwt. drums in consignments not exceeding some 200 tons. The Committee were informed that these drums were practically valueless at destination, while of course packing costs and freight were considerably enhanced by their use. In China, the principal Eastern source of raw groundnut oil, the shippers stated that tank wagons, storage facilities at ports and suitable tank space in steamers were provided up to 1,000 tons per shipment thus enabling China to undersell India in spite of advantages derived from exchange and Imperial preference. The Committee understood that this oil was shipped principally to Hull, Manchester, Rotterdam and Hamburg.

As far as the Committee had been able to ascertain, practically all the oil that was shipped from Bombay was produced locally. The two largest mills were situated in the Belvedere Road, Mazagon, and at Wadala, the latter being the only mill with its own siding, while the former was close to a Port Trust siding near Fuel Oil Depot with Frere Road intervening. The other mills appeared to be primitive and were dotted about the City with no possibility of being connected to the Docks by rail. The Committee had no information as to whether there were other mills in the Bombay zone.

Oil extracted in the Madras and Southern Maharatta country would, for bulk conveyance to Bombay, have to be transhipped at Poona from the Madras and Southern Maharatta Railway metre-gauge into the Great Indian Peninsula

Railway broad-gauge, and in the absence of facilities for direct decanting from one tank to another, it would probably be necessary for the oil company to erect storage tanks at Poona as was done by the mineral oil companies. With Marmagoa on the West and Madras on the South-East it appeared to the Committee that the prospects of shipping bulk oil from the Madras and Southern Maharatta country *via* Bombay might safely be eliminated from all calculations.

Turning now to local facilities, it was understood that the Bombay, Baroda & Central India and the Port Trust Railways owned no tank wagons. The G. I. P. Railway set aside 5 tank wagons for conveyance of vegetable oils up-country, of which not more than 3 could be spared for short hauls to the docks. Each wagon had a capacity of 17 tons so that it was estimated that it would take some 10 to 12 days to ship some 200 tons by any one steamer, whereas the loading time of a liner seldom exceeded 5 to 6 days. The rate given by the Chief Traffic Manager of the G. I. P. Railway for a tank car from Wadi Bunder to the Docks was Rs. 58-14-0 including Port Trust Railway through rates. It was understood that while the G. I. P. Railway would be ready to interest themselves in the trade should it develop, they could not contemplate building additional tank wagons without being assured of a substantial volume of trade in groundnut oil in bulk.

From enquiries made from local agents of Shipping Companies, it appeared that given reasonable assurance of a comparatively large volume of trade, at a guess some 1,000 or more tons a month, one or two of the Companies would be prepared to make and reserve tank space. The British India Steam Navigation Co. were not interested in Hull and Manchester and at the moment had not suitable tanks in

their vessels, and some other companies considered it was not worth while to build special tanks into their vessels with the position so vague. At the moment therefore it did not seem as though the Port Trust could offer any assistance in fostering this trade.

Development could be visualised somewhat on the following lines. In the first place the initiative must be taken by the oil producers and exporters. They would require to organise their business upon modern lines by erecting crushing mills and storage tanks served by sidings. Should storage depots be created on the Mazagon reclamation, then the Port Trust Railway might consider building tank wagons to convey the oil rapidly to ships' side, where with portable electric pumps it could be transferred to vessels' tanks. It might be anticipated that if the trade afforded sufficient promise, Shipping Companies would not take long to arrange for suitable tank space in their vessels. It was clear that the oil producers would have to amalgamate or that a 'Collecting and Forwarding Company' must be floated to finance the scheme. In the opinion of the Committee, so long as the existing rather haphazard methods prevailed, it was not reasonable to expect either the Railways, Shipping Companies or the Port Trust to provide special facilities for exporting groundnut oil in bulk.

PLANT DISEASES.

Papers in connection with the precautions taken by the Siamese and Spanish Governments against the introduction of plant diseases into their respective territory were received by the Chamber in November 1932 and were placed at the disposal of members interested.

INTERNATIONAL LABOUR CONFERENCE.

SIXTEENTH SESSION.

The following press communiqué was issued by the Government of India on the 10th December 1931 :—

The Government of India have been informed that the Sixteenth Session of the International Labour Conference will open at Geneva early in April 1932 and that the following subjects will be on the agenda :—

I. Abolition of free-charging employment agencies.

II. Old-age invalidity and widows' and orphans' insurance for workers in all occupations excepting seamen.

III. Minimum age of admission of children to employment in non-industrial occupations.

The first two subjects are for first discussion ; the third subject which was previously discussed at the Fifteenth Session held in 1931 is for final consideration.

The precise date of the opening of the Conference will be announced later.

2. The representation of each Member State at a Session of the Conference ordinarily consists of two Government Delegates, one Employers' Delegate, one Workers' Delegate and advisers for each group according to necessity and circumstances. The duty of nominating the personnel of the entire Indian Delegation rests with the Government of India, who under the terms of Treaty of Versailles, have undertaken " to nominate non-Government Delegates and advisers chosen in agreement with the industrial organisations, if such organisations exist, which are most representative of employers or work people as the case may be." As there appears to be some misapprehension regarding what constitutes an industrial organisation representative of employers, the Government of India desire to make it clear that, in their view, an association can only be regarded as representative of employers if it includes among its functions that of dealing with the interests of employers as such (*e.g.*, regulating conditions of employment). The mere fact that the membership of

an organisation maintained for other purposes (*e.g.*, the protection and regulation of the commercial interests of its members) includes a number of industrial employers is not in itself sufficient to give that organization a claim to consideration in the present connection.

In addressing the Director of Information and Labour Intelligence, Bombay, in the matter the Committee stated that none of the subjects would appear to be of vital importance to this country at the present time and such being the case, the Committee felt that, in view of the existing financial stringency, it might well be represented to the Government of India that they should not send any delegates to the above-mentioned session. In any case the first two items would come up again for final discussion at a subsequent session before which there would presumably be sufficient opportunity to discuss the results of the first discussion in 1932 and it would be possible for the views of this country to be presented by the delegation which might attend the later session.

The Committee accordingly enquired whether the Government of Bombay would be disposed to pass on to the Government of India for favourable consideration the suggestion that no delegation should be sent from this country to the 1932 session.

In this connection the Committee referred to the terms of paragraph 2 of the press communique, particularly the portion of it which related to the nomination of representatives of employers. The Committee stated that they might be disposed to regret the decision of the Government of India so to restrict the privilege of nomination that a body such as the Chamber might not be eligible to make nominations, but for the present at any rate they did not propose to take exception to the decision. It might, however, be necessary

for them to reconsider the position at a later date and they added that in this event they would address the Government of Bombay further.

In a later press communiqué published on the 19th January 1932 the Government of India notified that a fourth item had been included in the Agenda of the Conference, *viz.*, the revision of the Convention concerning protection against accidents of workers employed in loading or unloading ships. It was also intimated that April 12th, 1932, had been fixed as the date for the opening of the Conference.

The Government of India subsequently nominated the following gentlemen to represent the Government of India, the employers and the workers respectively at the Conference :—

Government Delegates.—1. Sir Bhupendra Nath Mitra, K.C.S.I., K.C.I.E., C.B.E., High Commissioner for India, London. 2. Sir Atul Chatterjee, K.C.S.I., K.C.I.E., Member, Council of India, London.

Advisers to the Government Delegates.—1. Mr. A. Dibdin, India Office, London. 2. Mr. K. R. Menon, I.C.S., Secretary to the High Commissioner for India, London.

Employers' Delegate.—Mr. R. K. Shanmukham Chetty, M.L.A., Deputy President of the Indian Legislative Assembly.

Workers' Delegate.—Diwan Chaman Lall, Bar-at-Law. Mr. Menon also acted as Secretary to the delegation.

INVALIDITY, OLD AGE AND WIDOWS' AND ORPHANS' INSURANCE.

As was noted in the previous item one of the subjects on the agenda of the Sixteenth Session of the International

Labour Conference was the question of invalidity, old age and widows' and orphans' insurance for workers in all occupations except maritime navigation and fishing.

The Director of Information and Labour Intelligence, Bombay, in July 1932 forwarded to the Chamber a copy of a Red pamphlet containing the questionnaire issued by the International Labour Office on this subject and requested the Committee to furnish him with their views on the points raised therein.

The Committee after consulting the Labour Sub-Committee informed the Director that in their opinion economic, social and occupational conditions varied so greatly in different countries that it was not at present practicable to lay down satisfactory international regulations concerning insurance of the kinds contemplated. If such a scheme did not involve contributions from the insured its scope would be dependent on the amount of Government finance available. India would not be in a position to undertake anything of this kind for the whole population in the near future; even if she could, the matter could be dealt with by ordinary legislation. If on the other hand the scheme involved contributions from the insured it would be impracticable to collect such contributions from the great mass of the population in the villages. For the remainder, some contribution from Government would in practice be found necessary and it did not appear equitable to burden the general revenues in this way for the benefit of a small portion of the population. The social conditions under which the majority of the people in India lived made insurance of this kind less urgent than it was in many countries. In view of the foregoing considerations the Committee did not consider it necessary to deal with the questionnaire in detail.

ROYAL COMMISSION ON LABOUR IN INDIA.

(*See Report* 1929, *Vol. I, page* 83.)

The Report of the Royal Commission on Labour in India was published on the 2nd July 1931.

The Government of India grouped the recommendations of the Royal Commission into the following six classes :—

I Recommendations involving central legislation.

II Recommendations requiring administrative action by the Government of India.

III Recommendations involving provincial legislation.

IV Recommendations requiring administrative action by Local Governments and Administrations.

V Recommendations requiring action by public bodies, *e.g.*, municipalities, universities, etc.

VI Recommendations requiring action by employers and their organisations or by workers' unions.

In December 1931 the Director of Information and Labour Intelligence, Bombay, drew the attention of the Chamber to the recommendations of the Commission requiring action by employers and their organisations or by workers' unions (Group VI) and asked that Government might be furnished with a half-yearly report on the action taken on each of the recommendations by the 1st January and 1st July of each year.

The papers were submitted to the Labour Sub-Committee of the Chamber whose remarks on the recommendations were circulated to all members with a request that those members who employed labour might report to the Chamber on the 1st June 1932 what action, if any, they had taken on the recommendations. Copies of the reports that were received from members were duly forwarded to the Director.

Government also referred to the Chamber their views and the action they proposed to take on certain of the other recommendations of the Commission covered by groups I to V above. The Chamber's comments on these are dealt with under separate headings below.

EMPLOYERS' LIABILITY.

Under cover of a letter from the Director of Information and Labour Intelligence the Committee in February 1932 received copy of a letter from the Government of India, Department of Industries and Labour, dated 3rd February 1932, in connection with the recommendation made by the Royal Commission on Labour on pages 314-315 of their Report on the subject of employers' liability.

For convenience of reference extracts from pages 314-315 of the Report and from the report of the Joint Committee on the Workmen's Compensation Bill are given below :—

EXTRACT FROM PAGES 314-315 OF THE REPORT OF THE ROYAL COMMISSION ON LABOUR.

Before concluding this chapter we deal with a question which, while not strictly a matter affecting workmen's compensation legislation, is connected with it. Persons injured by accident may have a remedy by a suit for damages against their employer in the civil court, and it is suggested that the law there applicable is inequitable because two defences may be evoked by the employer to defeat claims which he should justly be called upon to meet. One is the defence of "*common employment*" by which an employer can plead that an accident was due to the default of a fellow-workman, and the other is the defence of "*assumed risk*" by which an employer is not liable for injury caused to workmen through the ordinary risks of employment, and a workman is presumed to have assumed risks which were apparent when he entered upon his occupation. When the Indian Workmen's Compensation Act was first introduced, it had, in addition

to the provisions for workmen's compensation, clauses designed to abrogate these defences in certain cases; but the Joint Select Committee of the Legislature deleted the clauses in question, apparently because they were not satisfied that the doctrines to which we have referred, which were derived from the British common law, would be accepted by Indian courts. They observed at the same time that if the doctrines in question were so accepted and were regarded as inequitable, they should be removed for all workmen and not for the limited classes to which the Workmen's Compensation Bill was to apply. Those who now advocate legislation have produced little evidence to show that the existing position gives rise to hardship but it is possible that suits are not pursued because of the admitted ambiguity of the law and, as the defences in question are in our view inequitable, there is need for ensuring that they cannot be invoked. It should be remembered that ordinarily the workman receiving more than Rs. 300 does not come under the Workmen's Compensation Act, and his only remedy is in the civil courts; if our recommendations are adopted, the monetary limit will be applicable to all workmen. The majority of us consider, therefore, that a measure for this purpose should now be enacted, and that it might follow the lines of the clauses deleted in 1923, but should, of course, be applicable to all workmen. Sir Victor Sassoon and Sir Alexander Murray point out that the Joint Select Committee likewise expressed the opinion that it was on the whole wiser to restrict the scope of the Bill to workmen's compensation and to avoid anticipating a difficulty which might not arise. They adhere to this view and are not aware that there has been any change since 1923 to justify legislation of the type suggested. They consider that the substantial increases in the scales of compensation and the wide extension of the scope of the Workmen's Compensation Act, now recommended, not only reduced any need there may be for such legislation but also form the correct line of advance in social legislation of this kind.

Extract from the Report of the Joint Committee on the Workmen's Compensation Bill.

Perhaps the most important alteration, which we have made in the Bill, is the elimination of the provisions relating to employers' liability. The majority of us are not satisfied that it is either necessary

or wise to retain these provisions in the Bill. It has not been demonstrated to our satisfaction that the Courts in India will apply the judge-made doctrines of common employment and assumed risk. If these doctrines are accepted by the Courts in India, legislation on the lines of the Employers' Liability Act, 1880 (43 and 44 Vict. 42), will have to be considered. But in that event the defences of common employment and assumed risk, if they are regarded as inequitable, should be removed not merely for the very limited classes of workmen to whom this Bill will apply, but for all workmen. On the whole, therefore, we are of opinion that it is wiser to restrict the scope of the present Bill to workmen's compensation and to avoid anticipating a difficulty which may not arise, and for which the Bill as drafted, contained only a partial remedy.

The Government of India in their letter referred to above stated that the two main objections taken by the majority of the Select Committee to the proposal were (1) that it was uncertain that the courts would accept the defects which the doctrines were designed to remove, and (2) that if the defences were inequitable they should be removed for all workmen and not for specified classes. The latter objection was met by the Commission's proposal. As regards the former, cases of the kind to which the proposed law would be applicable were naturally rare, but in the only reported case which the Government of India had been able to trace (9 A.L.J. 173) the doctrine of common employment was unhesitatingly applied.

The Government of India inclined to the opinion that the defences in question were inequitable and they were therefore not disposed to attach much weight to the fact that they were seldom likely to be invoked or to any remaining doubt that there might be as to the readiness of the courts to apply them. The clarification of the law would in itself be an advantage. On the other hand, there might be some danger

that a change in the law of the kind contemplated would lead to a number of workmen who had claims for workmen's compensation being tempted to abandon these in favour of the more difficult and costly method of procedure in the civil courts. So far as most of those workmen to whom the Workmen's Compensation Act was or might be made applicable were concerned, the Government of India considered that that Act provided or should provide an adequate remedy and they agreed with the view expressed by two members of the Commission that the extension of this Act represented the correct line of advance in social legislation of this kind. At the same time, none of the members of the Commission had advocated the extension of the Act to any persons in receipt of more than Rs. 300 a month who were not already within its scope, and it was mainly for the benefit of the better paid workmen that the majority had proposed legislation.

The Government of India were therefore disposed to the view that legislation on the lines proposed by the Commission was desirable. But Government suggested that in examining the proposal, consideration should be given to the possibility of limiting the scope of the law so as to exclude all workmen covered by the Workmen's Compensation Act. Another alternative would be to include only such of those workmen who were in receipt of more than Rs. 300. Either of the alternatives suggested would remove the disabilities which might attach to those workmen who had only the remedy of a civil suit without giving encouragement to unwise litigation on the part of workmen who had alternative remedies.

The Government of India requested that the views of those interested might be elicited.

The Committee after consulting the Labour Sub-Committee of the Chamber informed the Director of Information and Labour Intelligence that they were in sympathy with the recommendation made by the Royal Commission on Labour on pages 314 and 315 of their report and that they were in favour of legislation which aimed at clarifying the present law. The Committee agreed with the suggestion contained in the letter from the Government of India that the scope of the law should be limited so as to exclude all workmen covered by the Workmen's Compensation Act. The Committee suggested, however, that with a view to avoiding costly litigation the machinery of the Workmen's Compensation Act should be utilised so far as possible in administering the law. The Committee presumed that they would be afforded an opportunity of studying the draft Bill before expressing a final opinion on the subject.

WORKMEN'S COMPENSATION ACT, 1923.

(*See Reports* 1922, *Vol. I, page* 102 ; 1923, *Vol. I, page* 67 ; 1924, *Vol. I, page* 127 ; 1925, *Vol. I, page* 106 ; 1926, *Vol. I, page* 253 ; 1928, *Vol. I, page* 110 ; 1929, *Vol. I, page* 86.)

The Director of Information and Labour Intelligence, Bombay, in March 1932 forwarded for the views of the Committee a copy of a Bill further to amend the Workmen's Compensation Act, 1923, which was introduced in the Legislative Assembly on the 17th February 1932. In the statement of objects and reasons attached to the Bill it was mentioned that the Workmen's Compensation Act, 1923, was experimental in character, and since its coming into force on the 1st July 1924, a number of modifications of its provisions had been suggested by various authorities and interests. A few amendments, which were designed to remedy admitted

defects or to embody improvements of a non-controversial character were effected by the Workmen's Compensation (Amendment) Act, 1929. Those proposals which involved the modification of the principles underlying the Act or its more important features were referred by the Government of India to Local Governments for opinion in a circular letter in 1928. Copies of this circular letter and of the replies received thereto were supplied to the Royal Commission on Labour who after reviewing the question in the light of further evidence supplied to them, made a number of recommendations on the subject in Chapter XVI of their Report. This Bill followed these recommendations closely; some minor additional provisions had been incorporated, but few variations from the Commission's proposals had been made.

The Committee after consulting the Labour Sub-Committee informed the Director of Information and Labour Intelligence that they approved of the Bill as introduced in the Legislative Assembly.

In November 1932 the Associated Chambers of Commerce of India and Ceylon forwarded to the Chamber for opinion a copy of a letter received from Mr. R. T. H. Mackenzie, M.L.A., the representative of the Association in the Legislative Assembly with which he submitted his comments on the various clauses of the Bill.

The Committee in reply stated that they had no further remarks to offer other than that they felt that the rapid reduction in commodity prices was equivalent to an increase in the rates of compensation and to that extent they were prepared to agree with Mr. Mackenzie's comment on clause 4 (1) of the Bill. The effect of clause 4 (1) was to enhance considerably the compensation payable for death and permanent disablement in the case of the more poorly paid workmen

(*i.e.* those getting less than Rs. 17-8) and those in receipt of high wages (*i. e.* those getting more than Rs. 80 a month).

Mr. Mackenzie's comment on this clause was that in 1924, when the Act started working, commodity prices were high, the general index number for all articles being 155 on the basis of 100 in 1914. Prices had dropped again to the 1914 level, so that the scale of compensation had automatically increased. It was felt that, if a further increase in the amount was now made, it would not only impose a considerable burden on already over-strained industries, but would encourage malingering ; it was therefore not only unnecessary but undesirable.

BESETTING OF INDUSTRIAL ESTABLISHMENTS FOR THE RECOVERY OF DEBTS FROM WORKERS.

In October 1932, the Chamber received from the Director of Information and Labour Intelligence, Bombay, a copy of a letter from the Government of India in connection with the recommendation of the Royal Commission on Labour that besetting of industrial establishments for the recovery of debts should be made a criminal and cognisable offence. The proposal was aimed at preventing two practices associated with the recovery of debts from industrial workers, *i.e.* (1) the system whereby money-lenders were allowed to enter the factory and to collect their dues before the employee received his salary and (2) the more common practice of the money-lender waiting outside the factory-gate and securing payment before the workman could part with any portion of his salary. The Government of India, Department of Industries and Labour, requested to be furnished through local Governments with expressions of opinion on the proposal that action should be taken in the direction suggested

and they stated that they themselves were provisionally disposed to support it.

After referring the question to the Labour Sub-Committee of the Chamber, the Committee in replying to the Director of Information on the lines of the Sub-Committee's report, stated that while they considered the proposal a necessary and urgent measure, they felt that it would not solve the very serious problem of indebtedness. The Committee had therefore considered the other methods for dealing with the evil to which a reference was made by the Government of India. While the problem was such that the strongest measures might be required to deal with it, the Committee did not consider that they had sufficient information to justify them in recommending at this stage, the enactment of legislation for making habitual usury a criminal offence or the use of the power of deportation for certain offenders of this class. The Committee recommended that the Government of India should undertake a thorough investigation of all the information on this subject which was contained in various reports and then proceed to legislate with a view to the registration of money-lenders and the regularisation and control of the granting and taking of loans and the rates of interest charged. The Committee felt that after this had been done it would be easier to ascertain the desirability of further legislation on the lines indicated in the Government of India's letter.

PROPOSED ABOLITION OF FEE-CHARGING AGENCIES.

The Director of Information and Labour Intelligence in June 1932 forwarded to this Chamber copy of a pamphlet

containing the questionnaire issued by the International Labour Office on the subject of the abolition of fee-charging employment agencies.

The Committee referred the question to the Labour Sub-Committee of the Chamber and later in addressing the Director stated that they were of opinion that while very few important firms in Bombay had any experience of fee-charging agencies, the general feeling was that if such agencies were to be permitted they should be licensed under strict official control and that a definite scale of charges should be drawn up, but that there should be no charge for registration. The Committee did not formulate detailed answers to the questionnaire, since, as indicated above, this did not appear to be a question of very great importance to Bombay.

TRADES DISPUTES (AMENDMENT) ACT.

On the 5th September 1932 a Bill to amend the Trade Disputes Act, 1929, for certain purposes, was introduced in the Legislative Assembly. In the statement of objects and reasons attached to the Bill it was mentioned that the attention of the Government of India had been called from several quarters to the fact that section 13 of the Trade Disputes Act afforded inadequate protection to those who served on or were connected with Courts of Inquiry and Boards of Conciliation. The members of such tribunal; were at present under the necessity of deciding in respect of every item of information obtained by them concerning any Trade Union or business whether such information should be regarded as confidential or not. Suits and prosecutions might be preferred on complaints without any previous sanction in respect of any disclosure, wilful or accidental; and offences were triable by any Magistrate. The Bill sought

to remedy these defects. Clause 2 (*a*) made it the duty of the person desiring information to be kept confidential to prefer a request to this effect. Clause 2 (*b*) was designed to limit the operation of the section to wilful disclosures. The proposed sub-section 13 (3) provided for the trial of offences by Magistrates of the highest class, and the proposed sub-section 13 (4) made the sanction of the authority appointing the Court a condition precedent to the institution of a suit or prosecution. This clause embodied a recommendation of the Royal Commission on Labour. A similar recommendation was made by the Railway Court of Inquiry.

The Chamber's representative in the Council of State was requested to support the Bill which was passed by both Houses of the Central Legislature.

CHILDREN (PLEDGING OF LABOUR) BILL.

On the 5th September 1932 a Bill to prohibit the pledging of labour of children was introduced in the Legislative Assembly. In the statement of objects and reasons attached to the Bill it was mentioned that the Royal Commission on Labour found evidence in such widely separated areas as Amritsar, Ahmedabad and Madras of the practice of pledging child labour, that is, the taking of advances by parents or guardians on agreements, written or oral, pledging the labour of their children. In some cases the children so pledged were subjected to particularly unsatisfactory working conditions. The Commission considered that the State would be justified in adopting strong measures to eradicate the evil and the Bill sought to do so by imposing penalties on parties to agreements pledging the labour of children and persons knowingly employing children whose labour was pledged.

The Bill was referred to a Select Committee of the Legislative Assembly on the 12th September 1932.

The Committee after consulting the Labour Sub-Committee informed the Chamber's representative in the Council of State that he should support the Bill.

HOURS OF WORK FOR DOCK LABOURERS.

Recommendations of Royal Commission on Labour in India.

The Director of Information and Labour Intelligence in November 1932 asked for the views of the Chamber on a letter that had been received from the Government of India in connection with the recommendations of the Royal Commission on Labour in India regarding the fixation of the hours of work of dock labourers and the raising of the minimum age for the employment of children in docks. The following is a summary of the recommendations :—

(*a*) The normal daily hours prescribed by law should be nine, with overtime permissible up to three hours ;

(*b*) Payment for each hour of overtime should be required at not less than 33⅓ per cent. over the ordinary rates :

(*c*) The minimum age of employment should be raised to 14 years ;

(*d*) Enforcement should be entrusted to the factory inspection department.

The Committee have asked the Bombay Port Trust for their views on the question particularly in regard to the proposed limitation of overtime to three hours per day and the payment for overtime work at not less than 33⅓ per cent. over the ordinary rates.

HOURS OF WORK IN BOMBAY OFFICES.

(*See Report*, 1930, *Vol. I, page* 67).

An enquiry was received in August 1932, from the Anglo-Indian and Domiciled European Association, Bombay Provincial Branch, as to whether there were any recognised office hours for employees in European business firms in Bombay. The Committee replied that the hours of work in Bombay offices varied from 9-30 to 10-30 in the morning to 5-30 to 6 o'clock in the evening.

TEA DISTRICTS EMIGRANT LABOUR BILL.

The Director of Information and Labour Intelligence, Bombay, in July 1932 invited the views of the Committee on a Bill to amend the law relating to emigrant labourers in the tea districts of Assam, which was introduced in the Legislative Assembly in April 1932 and was under examination by a Select Committee of the Indian Legislature.

The Committee after referring the Bill to the Labour Sub-Committee of the Chamber informed the Director that they had no views to put forward, as the Bill was of no particular interest to members of this Chamber.

BILL TO AMEND THE LAND ACQUISITION ACT, 1894.

On the 5th of September 1932, a Bill further to amend the Land Acquisition Act, 1894, for certain purposes, was introduced in the Legislative Assembly. In the statement of objects and reasons attached to the Bill it was mentioned that the Land Acquisition Act, 1894, made it possible, where the previous consent of the Local Government had been

obtained, to acquire land compulsorily on behalf of companies, provided that the land was needed for a work "likely to prove useful to the public." The Royal Commission on Labour had recommended that the Act be so amended as to enable land to be thus acquired where it was needed for the housing of labour, either by companies or by other employers. They stated that, in a number of instances brought to their notice, land eminently suitable for the development of housing schemes had been held at ransom by the owners, fantastic values being placed upon it as a result of the construction of factories and other industrial concerns in the neighbourhood. The provision of adequate housing for workmen was one of the urgent needs of the Indian industry, and the Bill gave effect to the Commission's recommendation.

The Committee after consulting the Labour Sub-Committee requested the Chamber's representative in the Council of State to support the Bill.

THE INDIAN FACTORIES ACT.

Proposed Amendment.

The Government of Bombay in June 1932 submitted to the Chamber for opinion a copy of a letter that had been received from the Government of India forwarding a draft Bill to consolidate and amend the law relating to labour in factories. It was mentioned that the proposed revision of factory legislation had been undertaken with reference to the recommendations of the Royal Commission on Labour which fell into two groups, according as they involved (1) the alteration of the law applicable to factories already subject to regulation and (2) the extension and regulation of factories

at present unregulated. The Bill under discussion was designed to elicit opinions only on the first group, *viz.* those recommendations relating to such alterations of the law as did not involve any addition to the number of factories and workshops which would be subject to it.

The Government of India added that they proposed later to make a second reference regarding the other group of the recommedations. Government pointed out that this group raised some questions of difficulty, especially at a time when financial considerations made it impossible to contemplate any substantial increase in the strength of the inspecting staff.

The Bill was not only an amending but also a consolidating Bill. Government pointed out that the Factories Act had already been amended to such an extent that but little of the original measure remained on the Statute Book, and if a substantial number of further amendments had to be made, Government considered that it would be more convenient for all concerned with the administration of the law to have a self-contained enactment. The Bill was therefore in the form of a measure replacing the original Act of 1911 and the amending Acts of 1922, 1923, 1926 and 1931.

After consulting the Labour Sub-Committee of the Chamber the Committee offered the following criticisms of the Bill :—

Clause 2 (2) (*d*).—This clause read :—

" (2) a person who works in a factory, whether for wages or not—

(*d*) in any other kind of work whatsoever, incidental to, or connected with, the manufacturing process or handicraft, or connected with the article made or otherwise the subject of the manufacturing process of handicraft therein, shall be deemed to be employed therein."

In many seasonal industries as, for instance, in ginning and pressing factories the raw materials as well as the manufactured goods usually belonged to the constituents, *i.e.*, the customers of the factory and not to the occupier. The manager of the factory had under such circumstances no control over such persons as were engaged in the transporting of the goods to and from the factory compound since this work was always arranged and paid for by constituents. It was not equitable, therefore, that the factory occupier or manager should be held responsible for those persons for the purpose of the Factory Act. The workmen engaged by constituents for transport purposes such as carters were usually working in the factory compound for short periods only and were changed daily or sometimes even hourly. It would not even be possible for the manager of the factory to prepare a muster roll of persons engaged by constituents for transport purposes. The Committee mentioned this point because cases were within their knowledge where inspectors had insisted upon registers of workmen of this class and it was found impossible to comply with the orders.

Clause 9 (*i*).—An addition to this clause provided that the Local Government might prescribe the minimum height to be attained by children seeking employment in factories. It was not clear that physical fitness was in any way dependent on height and the Committee recommended that this addition should be deleted.

Clause 13 (*d*).—The Committee were of the opinion that the addition of the words " or to cause serious discomfort to them " might provide an opportunity to ill-intentioned persons to put forward frivolous complaints and, further, that it might encourage officiousness on the part of the inspectors. They therefore recommended that the words should be deleted.

Clause 15.—For similar reasons the Committee were in favour of omitting the words "or serious discomfort" in this clause.

Clause 19 (2).—This clause laid down that a sufficient and suitable supply of water for washing and facilities for its use should be maintained for the use of persons employed in any factory in processes involving contact with poisonous or obnoxious substances. The Committee considered that Government should specify the particular industries to which this clause applied.

Clause 20.—The Committee considered that while the provision of shelters for rest should be encouraged it should be left to the factory owner to provide them and not laid down in the Act.

Clause 31.—The provision of a room for children appeared to come within the scope of welfare work which was quoted in the Encyclopædia Britannica as "anything for the comfort or improvement, intellectual or social, of the employees over and above the wages paid, which was not a necessity to the industry nor required by law." The Committee did not consider that Government should have the right to insist that all factories employing over 250 women should provide a room for the use of their children while they were at work. As far as the Bombay mills were concerned quite a number had provided such rooms where the children were looked after during the working hours. The Millowners' Association had for some time advocated that mills should provide rooms such as was contemplated in this clause as soon as financial conditions improved. It was probable that since the strikes of 1928 and 1929 all mills had realised that they must do more in the way of welfare work to keep labour contented and that they would do voluntarily as soon

as prosperity returned what Government were seeking to enforce by legislation.

Clauses 40 *and* 41.—These clauses contained an important amendment relating to hours of work for adult employees in perennial factories. The Committee had been favoured with a copy of a letter, dated 21st September 1932, addressed by the Bombay Millowners' Association to the Collector of Bombay in connection with the present reference and they strongly endorsed the Association's remarks in connection with this amendment. The textile industry was by far the most important in Bombay and the Committee fully appreciated that it was not possible for the Millowners to agree to the proposed reduction in the hours of work unless similar hours of work were enforceable in mills in the Indian States and some means could be devised whereby the consent of the workers themselves could be obtained to a reform which would give them the benefits of greater leisure, but which, at the outset, at any rate, would reduce their daily earnings. It seemed clear that if the proposed reduction in working hours was introduced the Millowners would be faced with the alternative of fighting a prolonged strike or raising their costs of production to such an extent as seriously to impair their competitive capacity *vis-à-vis* foreign manufacturers. In these circumstances the Committee expressed a hope that Government would agree to drop the proposed limitations of working hours in perennial factories from the present Bill.

Clauses 51 *and* 52.—It was stated in the covering letter of the Government of India that these clauses represented an endeavour to recast sections 26, 35 and 36 of the existing Act. The Committee found, however, that while under the existing Act a copy of the alterations in the notice and standing orders had to be sent to the inspector within 36 hours

and his permission for alterations was not required, it was proposed under the new clauses that the inspector's permission should be obtained and a copy of the notice should be sent to him before the change was made. The Committee considered that it was not always practicable to give notice of alteration in the hours of work in factories. The provision was particularly unsuitable to seasonal factories where it was necessary to adjust the system of work to such factors as weather conditions, arrivals, market fluctuations, etc. The necessity of adjustment might arise several times in a season and in order not to miss an opportunity of securing business the factory manager must be in a position to change the system of work at short notice. It was of course possible to inform the inspector of factories a day before any change was made. It was not always possible, however, to obtain his previous sanction since before such sanction had been granted conditions might have changed again.

The Committee considered that sub-clause (4) would certainly not meet the requirements of the factories working only from 4 to 6 months a year, as only one change in the system of work without previous sanction would be possible during such short period. The clause was apparently designed to guard against evasion of the factory regulations by means of frequent changes of hours. The Committee suggested that it should be sufficient to provide that the inspector should be notified before any change was introduced and the change brought into force immediately thereafter.

Clause 54 (*c*).—This sub-clause would be deleted if the Committee's recommendation in regard to Clause (9) was accepted.

Clause 55.—This clause empowered the Governor-General in Council to make rules requiring managers to furnish annual

returns relating to the wages paid in factories. The Committee agreed with the Millowners' Association in opposing the insertion of this new and vaguely worded clause in the Factories Act.

PROPOSED AMENDMENT OF THE INDIAN MINES ACT, 1923.

The Government of Bombay in October 1932 asked for the views of the Chamber on a letter they had received from the Government of India on the subject of the amendment of the Indian Mines Act, 1923, with particular reference to the recommendations made by the Royal Commission on Labour in this respect. The following is a summary of the points on which opinions were desired :—

1. What are the most suitable limits to the daily and weekly hours of work—

(*a*) above ground, and (*b*) under ground ?

2. Should the present minimum age for children be raised and, if so, to what extent ?

3. Should mine managers be required to report all accidents likely to involve the enforced absence of any worker in excess of seven days ?

4. Should it be obligatory for local Governments to publish reports of a committee appointed under section 11 or of a court of inquiry appointed under section 21 of the Mines Act ?

In regard to 2 it was suggested to the Committee that, if the labourer's child of between 13 and 14 was not at school it would be perferable to define the work which he might be permitted to do rather than debar him from any kind of useful employment. In regard to 3 the opinion was expressed that the proposal that mine managers should be required to report all accidents likely to involve the enforced absence of any worker in excess of 7 days was vexatious and unnecessary.

The Committee asked the Bengal Chamber to consult with the Indian Mining Association for the purpose of obtaining their views on the points summarised above and in particular on the most suitable limits to the daily and weekly hours of work.

The Bengal Chamber subsequently forwarded to this Chamber a copy of a letter that had been addressed to the Government of Bihar and Orissa by the Indian Mining Association on the subject. The Bengal Chamber associated itself with the views expressed therein. The Committee informed the Government of Bombay that they also supported those views.

The correspondence was placed at the disposal of members interested and for purposes of record is reproduced in the Appendices.

PROPOSED FEDERATION OF EMPLOYERS' ASSOCIATIONS.

(*See Reports*, 1920, *Vol. I*, *page* 202; 1925, *Vol. I*, *page* 303; 1930, *Vol. I*, *page* 241.)

The question of the formation of an All-India Federation of Employers' Associations has been before the Chamber on several occasions in recent years. In 1930 when the question was raised the Committee of the Chamber in replying to a reference on the subject by the Associated Chambers of Commerce of India and Ceylon stated that they saw no reason why the Associated Chambers should not be eligible for membership and assist in forming the proposed Federation. The Associated Chambers, however, subsequently informed the Chamber that owing to the absence of unanimity among members the President had decided to take no further action.

The President of the Associated Chambers raised the question again in November 1932 and in a circular to constituent Chambers stated that from a perusal of the past history of the question it would appear that the position was that while the general proposal had considerable support, the necessity of such a Federation had not been so strikingly proved as to lead the parties interested to drive the question home to a final conclusion. The President desired to ascertain the views of the Chambers once again on this matter and particularly in the light of the following facts :—

I. A new constitution for India was being hammered out, and it was evident that in this constitution Indian and European Commerce were likely to have separate representation in the legislatures; the interests of these two parties especially on matters of tariffs were likely to be divergent.

The interests of employers were, however, in very many cases identical, and the co-operation of European and Indian employers was likely to form a community of interests which might be of the utmost value to all. An Employers' Federation might indeed form an extremely valuable link to bind together interests which, in its absence, might find themselves opposed, not on grounds of merits but because of the antagonistic views and propaganda of other Federations and Associations and from want of contact and knowledge of each other's needs.

II. In the new Constitution Labour would have substantial representation in the legislatures. Parties were in future just as likely to divide on economic questions, such as Capital *versus* Labour, as on questions of pro-British and anti-British sympathy, and the road to political prominence by championing the cause of labour with more vehemence

than sense was likely to be a favourite choice of extremist politicians. Congress attempts to use labour as a political weapon had already been frequent, while the further weapon of the no-rent campaign was fresh in everybody's minds.

A Federation, therefore, which combined European and Indian interests in opposition to socialistic or communistic measures could not but be useful.

III. It was improbable as the course of events at Geneva had shown, that European employers in India would be welcomed as delegates representing India at International Conferences ; but if a properly constituted Employers' Federation existed it would be impossible for Government to ignore its recommendation and there was no reason why such recommendation should not be on a business rather than a political basis. There was every likelihood of the formation of the Federation being welcomed by Government from this aspect.

IV. It was possible in time that the Federation might obtain actual representation in the legislature (*Vide* the representation of Industry in the Punjab), which might be an added bulwark against socialist ideas.

The President pointed out that the above were very weighty reasons for the establishment of an Employers' Federation. *Per contra* it had been argued that if European Industrial Associations and individual concerns joined such an Association, they might in time be swamped in numbers or alternatively might be used to support policies of which they did not approve. This, however, was a matter which could be regulated without any difficulty, under the rules of procedure framed for the Federation. (In the Associated Chambers, for example, a resolution was a resolution of the

Association, and was forwarded to Government as such, only if no constituent member had voted against its adoption). Proper terms of admission would also have to be laid down, and it would largely be in the hands of the founder associations to secure proper appreciation and realisation of these points.

As regards the argument that interest of the Associations connected with the Associated Chambers would be outweighted, the President pointed out that the active participation of such interests in the formation should secure their obtaining full influence in the initial stages, probably owing to their importance in such matters amounting to a predominant interest; and that if, when the Federation was in operation, Associations or interests did not approve of such and such a policy or such and such a representation to Government, they could insist on action being dropped or on their views being recognised and transmitted to Government; and if the powers of the Federation were misused there would always be the course of resignation. Were the Federation to agree upon a unanimous policy on only five out of ten questions coming before it, the gain would be very substantial. And if in course of time the industrial interests of the Associated Chambers of Commerce became less predominant owing to the rapid growth of Indian industry, there would then perhaps be all the greater need for such interests to be joined with Indian interests for their common protection.

The President considered therefore that objections of this nature could be overcome by a proper constitution of the Federation itself, which might embody principles of voting, operation and control somewhat similar to those in practice in the Associated Chambers itself and which might also provide for the headquarters of the Federation alternat-

ing between Bombay and Calcutta and elsewhere as convenience and other considerations dictated.

The President suggested that should the views which he had expressed above commend themselves to the individual Chamber Committees, it would be advantageous if Chambers would ascertain also the opinions of any allied or recognised Associations or individual concerns of large size in their areas which might be willing to consider joining a meeting to discuss with the Millowners' Association the formation of such a Federation.

Finally the President suggested that the question might again form the subject of a Resolution at the forthcoming meeting of the Associated Chambers of Commerce.

The Committee in reply stated that they were still in favour of the formation of an All-India Federation of Employers' Associations but before proceeding any further in the matter they preferred to await the return to Bombay of the President of the Bombay Millowners' Association in order that they might first have an opportunity of discussing it with him.

In the meantime the following resolution was moved by the Bengal Chamber and carried *nem con* at the annual general meeting of the Associated Chambers of Commerce held at Calcutta on the 9th and 10th January 1933 :—

" This Association welcomes the steps that have been taken to constitute a Federation of Employers' Associations in India, and desires to give the movement their cordial support."

BILLS OF LADING.

Option Ports.

A firm in Ahmedabad in January 1932 requested that they might be informed as to the meaning conveyed by

" from Antwerp to Bombay option Okha" and " from Antwerp to Okha option Bombay" as mentioned in certain Bills of Lading. They enquired whether it would be correct to assume that in the first case if option for Okha was not declared goods would be landed at Bombay and *vice versa*.

The Committee after consulting the Import Sub-Committee informed the enquirers that in their opinion no hard and fast rule could be laid down in such cases, since optional discharge was usually governed by a special clause in the Bill of Lading to which the Committee suggested the enquirer should refer in the case of any particular shipment he had in mind.

CHARTER PARTY.

NOTICE OF READINESS TO LOAD.

In March 1932 the Committee were asked by a member for their views on the following two points, *viz* :—

(1) What was the earliest time of day at which notices of readiness could be given ; and

(2) Whether the day on which the stevedores' coolies were on strike should be considered as lay days.

The Committee in consultation with the Shipping and Export Sub-Committee carefully considered the points raised and in replying to the member stated that in most charters it was made clear as to the earliest time of the day at which notice of readiness could be given and the Committee suggested to the member that in future they might alter their form in this respect. The Committee added that though the Chamber

had ruled, as far back as 1912, that notice of readiness could be given any time during office hours, it had not hitherto been found necessary to pass a definite ruling as to what constituted such office hours, for, as previously stated, this was usually provided for in the charters. The Committee were of opinion, however, that for this purpose, unless provided for in the charters, office hours should be deemed to be from 10 a.m. to 5 p.m. on week days, excepting Saturdays when they should be from 10 a.m. to 1 p.m.

In regard to the second point, *viz.*, whether the days on which stevedores' coolies were on strike should be considered as lay days, it appeared to the Committee that there was no question in the present case of a general strike of dock labourers and in the circumstances the Committee were not prepared to offer any opinion on the question as they felt that it was a matter that should be settled by arbitration under the terms of the Charter Party.

DAMAGE TO CARGO BY HOOKS.

(*See Report*, 1919, *Vol. I, page* 128).

Towards the end of 1931, a representation was received from the Mombasa Chamber in regard to the damage done by the use of hooks in loading and unloading cargo. It was stated that the stevedore companies in Mombasa claimed that practically all such damage, so far as imports were concerned, was done at the ports of export but as the Chamber believed that a certain amount of damage was also done at the port of Mombasa, it enquired what hooks, if any, were used at Bombay. It was stated that the local stevedoring

companies were experimenting with a new type of four-pronged hook which seemed to be fairly successful on trial but no definite decision had been reached.

In replying to the Mombasa Chamber, the Committee stated that there were no regulations in this port prohibiting the use of hooks in the loading and unloading of steamers. The Committee pointed out that the type of labourer employed in Bombay was generally of poor physique and found it difficult to move heavy bales and packages without the use of big hooks, and to forbid their use entirely would probably result in considerable delay in loading or discharging. The Committee understood that drastic measures had been taken in the past to prevent the use of hooks but without success. On one occasion the hooks were taken from the labourers and thrown over board with the result that the labourers left the hold and refused to continue their work unless they were compensated.

The Committee forwarded to the Mombasa Chamber sketches of the two types of hooks generally used by labourers at this port.

In replying to a subsequent reference from a member on this question the Committee stated that they were aware that the practice of using hooks was prevalent in the port and was not confined to the coolies employed by stevedors but also prevailed amongst Port Trust labour. Attempts at entirely eradicating the use of hooks in the past had proved fruitless and it would seem impossible to enforce orders prohibiting their use entirely.

The Committee added that they had considered this question on several previous occasions and they felt that no hard and fast rule could be laid down, but that every effort

should be made by those who controlled labour employed in the port to see that due care was exercised in the use of hooks.

FALSE TRADE DESCRIPTION ON PIECEGOODS.

A member in November 1932, asked for the views of the Committee as to whether the following practices were infringements of the existing law in India :—

(*a*) To import grey cloth from Japan, dye the cloth in India and sell such dyed cloth in India with no mark or label on it to show that it was made in Japan.

(*b*) To import grey cloth from Japan, dye the cloth in India and sell that dyed cloth with marks on it to show that it was dyed by an Indian mill but no mark to show that the cloth was not also made in that mill. That mill being known to make similar cloth, the public naturally imagined that the cloth in question was made in that mill.

(*c*) To import grey cloth from Japan, dye the cloth in India and sell that cloth in India with no indication on it as to where it was made and/or dyed but with tickets printed in English of a firm who import cloth from abroad and were also managing agents of a mill famous for the production of such dyed cloth. The tickets and markings were such that if the buyer assumed the cloth to be imported, it would appear to him that it was imported from England. If, on the other hand, the buyer assumed it to be made in India, then it would appear to him that the cloth was the production of the mill for whom the firm mentioned on the tickets were the Managing Agents.

After consulting the Import Sub-Committee the Committee informed the member that they were inclined to

think that none of the three instances cited amounted to "false trade description" within the meaning of the Merchandise Marks Act, Section 2 (3).

In regard to (*a*) the Committee understood that for some time past a considerable proportion of the imports of grey and white cloth from Great Britain had been treated in a similar manner up-country.

In the opinion of the Committee it would not be possible to enforce a law which attempted to control the "trade description" of cloth imported in a certain stage of manufacture and then processed within the country of sale.

In regard to (*c*) much would of course depend on the exact nature of the "tickets and markings" but, short of a definite statement that the goods were manufactured in a country where in fact they were not, no offence appeared to have been committed.

The Committee suggested that the member might consult their solicitors in this matter since each case would have to be decided on its merits having regard to all the facts.

F. A. S. CONTRACTS.

The Committee received an enquiry in September 1932, as to the meaning of the term F. A. S. New York. After consulting the Import Sub-Committee, the Committee replied that "F.A.S." meant free alongside the steamer and in such a position that the goods were adjacent to the ship's tackle or other gear provided for loading the cargo.

In reply to a second enquiry as to whether an American supplier was justified in charging for the stamps on the bill

of lading the Committee said that this charge was for account of the buyer.

C. I. F. CONTRACT.

Payment of Customs Duty.

An enquiry was received from an importing house in September 1932, as to the payment of import duty in the case of a C. I. F. contract, Bombay Harbour, for July shipment. After consulting the Import Sub-Committee, the Committee replied that in the case of C. I. F. contracts the sellers had nothing to do with the import duty which was for the account of the buyers according to the amount required by the Customs.

CUSTOM OF THE PAPER TRADE.

The Press and Stationery Department of an Indian State enquired of the Committee in May 1932, as to the general practice in Bombay for the acceptance of paper of shorter weight than that stipulated but answering exactly to the stipulated quality.

The Committee after consulting members interested informed the writer that they understood that the custom of the trade in the case of British goods was to accept a margin of 5 per cent. above or below the specified weight. In the case of continental goods the margin was 10 per cent. In both cases, however, if the weight was more than the specified weight the goods were paid for on the specified weight only. On the other hand, if the supply was less than the specified weight, the goods were paid for on the actual weight.

The Committee also gave the following particulars which they understood to be the procedure adopted by the Indian Mills :—

1. The chargeable weight shall include weight of necessary ream and reel wrappers (not bale wrappers) string and centres (excepting those of wood or metal.)

2. Average variation in substance in a ream shall not exceed 5 per cent. either way.

3. Nominal weight of sheets and reels shall be chargeable if actual weight exceeds or is not more than 2½ per cent. under nominal weight. Actual weight shall be chargeable if more than 2½ per cent. under nominal weight.

4. Actual weight of sheets and reels shall be chargeable up to 2½ per cent. excess of nominal.

5. Actual weight of sheets and reels shall be chargeable provided average variation does not exceed 5 per cent. either way.

STRIKE CLAUSE IN CONTRACTS.

(*See Report* 1926, *Vol. I, page* 308.)

In September 1932, a member asked for a ruling as to the exact meaning of 'Strike Clause.' After consulting the Import Sub-Committee the Committee replied that a 'Strike Clause' was a provision enabling extension of delivery time for such period as might be necessary as a result of conditions arising directly from the strike. The meaning of a strike clause depended upon the terms of the clause and how it was worded. If it was properly worded the interpretation should present little or no difficulty, but if two parties agreed upon a

clause which was ambiguous in any way a lawsuit might be necessary to decide the meaning of it. The Committee considered that the terms of a 'Strike Clause' were a matter for mutual arrangement between the parties concerned and they were unable to give a ruling on the subject.

HUNDIES.

Collection and Payment on "Hartals."

A member in January 1932 informed the Committee that during the period of "hartals" they had received hundies both for collection and for payment but whereas the hundies for collection had been refused on account of the bazar being closed, the holders of hundies for payment expected to be paid as the Banks were open. The member enquired whether in the opinion of the Committee it would be possible for uniform action to be taken by all members in the matter.

The Committee in reply stated that they had been informed that the Banks were meeting all drawings on them, but hundies and bills for collection had been met only in a few cases by the bazar although those payable at the Banks had generally been met. While admitting that it was hard on a firm to be called upon to pay and not to receive, the Committee felt that if a firm refused to pay on hundies until the Shroff Bazar was re-opened, they were not only making themselves a party to the hartal but might be liable to have their bills or hundies noted for non-payment. It would appear that in case of hundies for collection a firm would have a claim for interest for the number of days payment was deferred and that in case of need this claim could be taken to the Courts.

A further complaint was received from another member that the Hundi market had been closed or partially closed on a number of days and that from the 28th January up to the date of their addressing the Chamber, *viz.*, 3rd February it had been practically impossible to get hundies cashed at all. The member suggested that Government's attention should be drawn to the matter with a view to moving them to take action against those concerned.

The Committee in reply informed the member that in their opinion no good purpose would be served by making official representations to Government at that stage. It was understood that Government had the local situation under close observation and they were prepared to intervene where they felt they could usefully do so, as in the case of the Share Market. There was, however, a limit to Government's power to compel traders to carry on business in a normal manner.

The Committee added that other members of the Chamber had reported difficulties similar in kind though on a lesser scale, to those experienced by the complainant. The Committee expressed the opinion that interest could be claimed for the number of days payment was deferred on hundies for collection and that in case of need this claim could be enforced in the Courts. The Committee suggested that the member should consider taking legal action and should refuse in future to accept hundies unless payment was guaranteed. Another method of dealing with recalcitrant dealers was to stop delivery of further supplies until claims were met in full. It was within the knowledge of the Committee that this method had proved successful in some cases, and that as a result of such action difficulty was no longer being experienced in cashing hundies.

PUBLIC HOLIDAYS UNDER THE NEGOTIABLE INSTRUMENTS ACT.

(*See Reports* 1924, *Vol. I, page* 320 ; 1925, *Vol. I, page* 317.)

The Associated Chambers of Commerce of India and Ceylon in December 1931 forwarded to this Chamber for opinion a copy of a letter that had been received from the Calicut Chamber suggesting that action should be taken to induce Government, the Imperial Bank of India and other Banks to consider the advisability of a considerable reduction in the number of Public Holidays which were annually declared under the explanation of Section 25 of the Negotiable Instruments Act of 1881.

In reply the Committee stated in the first place that this appeared to them a matter in which individual Chambers should approach their own local Governments, though doubtless an exchange of opinion with a view to a co-ordination of effort would be to the good. Holidays varied in the different provinces. The total number of holidays declared during 1931 and 1932 for the areas served by the four principal ports was as follows :—

	1931. days.	1932. days.
Bombay	24	22
Bengal	26	25
Madras	24	23
Karachi	26	23

The Calicut Chamber had mentioned that during the Christmas holidays of 1931, banks in the Madras Presidency were closed from 3 p.m. on Thursday, 24th December till Friday morning, 1st January with the exception of one day ;

on 30th December. The Committee pointed out that other provinces did not observe so many holidays at Christmas as Madras and that were it not for the number of holidays observed at Christmas, Madras would have fewer holidays in the year than other provinces. These remarks were merely intended to illustrate the differences subsisting in different provinces which, in the Committee's opinion, indicated that the matter was largely for decision by local Governments in consultation with commercial bodies.

The Committee stated that they were at one with the Calicut Chamber when they stressed the need for retrenchment and economy in every public and private activity and suggested that the curtailment of non-working days provided an avenue for advance in the desired direction. In many business offices the seniors and some of the staff usually attended on public holidays and the Committee had recently suggested that officers in a certain Government Department whose services were sometimes required by the commercial community on holidays might be required to attend without receiving extra pay. When a reply had been received from Government the Committee proposed to reconsider the general question of holidays with a view to asking the local Government to revise the list if thought desirable.

On the whole, however, the Committee doubted whether it would be advisable at the present time to press for a very considerable reduction in the number of public holidays. They added that the Exchange Banks' Association, Bombay, had been consulted on the present reference and they were unanimously of the opinion that the number of holidays in Bombay were not excessive.

The Chamber was subsequently informed by the Associated Chambers that the result of the reference to the

Chambers showed that there was some difference of opinion as to the expediency of the Association taking action, and in the circumstances the President did not propose to do anything in the matter. It was pointed out, however, that it was of course open to individual Chambers to take the question up with their own local Governments should they desire to do so, the declaration of holidays under the Negotiable Instruments Act being a matter for these, and not for the Central Government.

COMMERCIAL AGREEMENT BETWEEN INDIA AND BRAZIL.

The Government of India during October 1932 furnished the Chamber with a copy of the Notes which were exchanged between His Majesty's Representative at Rio de Janeiro and the Brazilian Government concerning a commercial agreement between India and Brazil. The agreement came into force as from the date of the exchange of the Notes (21st July 1932). For purposes of record copies of the Notes are reproduced in the Appendices to this Report.

COMMERCIAL CONVENTION BETWEEN INDIA AND POLAND.

The Chamber received in July 1932 a copy of Convention concluded between India and Poland respecting the commercial relations between the two countries and also of an accompanying Note regarding the inclusion of the Free City of Danzig in the Polish Customs Area.

Ratifications of the Convention were exchanged on the 31st May 1932 and it came into force from the 30th June 1932.

For purposes of record the Convention is reproduced in the Appendices to this Report.

IMPORTS FROM RUSSIA.

Effects of the Soviet Five Year Plan on Inter-Empire Trade.

(*See Report* 1931, *Vol. I, page* 320.)

The Associated Chambers of Commerce of India and Ceylon in February 1932 forwarded to the Chamber a copy of a report by a Special Committee appointed by the Association of British Chambers of Commerce on the effect upon Inter-Empire trade of the economic activities of Russia under the Soviet Five-Year Plan. The report, after quoting figures showing that the imports of Russian produce into Great Britain had greatly exceeded the exports of British goods to Russia, stated that what was required was an arrangement with Russia to trade on a reciprocal basis, British trade with Russia being regulated to an amount approximately equal to the amount Russia bought from Great Britain plus the value of the invisible exports to Russia.

The President of the Associated Chambers in asking for the comments of the constituent Chambers on the subject stated that the policy outlined might be noted for the present but that in his opinion no special action could be taken by the Associated Chambers for the time being at any rate. The Committee in replying to the Associated Chambers stated that they agreed with the President.

FUTURE OF THE INDIAN STORES DEPARTMENT.

(*See Report* 1931, *Vol. I, page* 313.)

The Stores Printing and Stationery Sub-Committee of the Retrenchment Advisory Committee invited the Chamber

to nominate a representative to be examined by them on the 19th January 1932 on the working of the Indian Stores Department, Central Stationery Office and the Printing Department.

The Committee nominated Mr. A. S. Gillespie for the purpose.

RULES FOR THE SUPPLY OF ARTICLES REQUIRED FOR THE PUBLIC SERVICES.

The Associated Chambers of Commerce of India and Ceylon in April 1932 forwarded for an expression of opinion by the Committee copy of a letter received from the Bengal Chamber suggesting that the following clause included in the preamble of the Rules for the supply of articles required for the public services should be eliminated :—

"Departments of the Government of India, or officers specially authorised in this behalf, may, when they are satisfied that such a measure is justified, allow a limited degree of preference in respect of price to articles produced or manufactured in India either wholly or in part."

The Bengal Chamber put forward the contention that there was already in existence a body—the Indian Tariff Board—which calculated the amount of preference necessary to indigenous industries to allow of their competing against non-Indian manufactures, and that Government, on the basis of the Board's calculations, imposed duties intended to afford the assistance considered necessary. It was suggested that in these circumstances the clause was unnecessary, and in particular that it involved an additional and unwarranted burden upon the consumer, the tax-payer.

The Committee in addressing the Associated Chambers stated that while they felt that the clause in question might

be objectionable inasmuch as it gave discretionary powers to indenting officers which, although intended to be on a very restricted scale, might be open to abuse, they did not think that the arguments adduced against the clause were particularly convincing. There were many goods of Indian make which received no protection from the Indian Tariff Board and which might be able in most cases to compete with non-Indian products. The limited degree of preference permissible under the clause might in such cases be of the utmost benefit to the Indian manufacturer.

Further it was a debatable point whether it was an unwarranted burden upon the consumer to pay slightly more for Indian goods. It could be argued that it was to the ultimate advantage of the taxpayer to retain the cost of the goods in the country, to employ Indian labour and to utilise Indian raw materials.

The Committee felt that if any protest was to be made it should be on the grounds that the clause in the rules immediately following the clause under discussion afforded sufficient protection to Indian manufacturers and that the granting even of limited discretion was liable to lead to unfair preference and might at some later date restrict the number of tenderers as it stood to reason that non-Indian concerns would be discouraged from tendering if they could not be sure of a fair deal. Such an eventuality would undoubtedly be against the interests of the consumer, the taxpayer. The Committee, however, felt that this argument in itself could not carry much weight in the absence of any instances of unfair discrimination in the past.

In the event of a protest being made the Committee were of opinion that care would have to be taken to avoid any inference that the trade was dissatisfied with the manner

in which this discretion was being exercised by Government. The Committee did not think, however, that a sufficiently strong case had been made to ask for the cancellation of a clause which had been in operation for several years without, to their knowledge, resulting in any unfair preference being shown. To their mind the right time for making a protest would be when cases were brought to notice that the provisions in the Rules were being misused.

The Chamber was subsequently informed that in view of the varying expressions of opinion recorded by the constituent Chambers it did not seem to the President that any action in the matter could be taken by the Association and he proposed to drop it.

INDIAN STORES DEPARTMENT.

Supply of Mild Steel Sections, Bars and Plates.

(*See Report* 1931, *Vol. I, page* 312).

It was mentioned in the Report for 1931 that the Committee had addressed the Government of India in regard to a representation made by the Tata Iron and Steel Co., Ltd., to Government for the placing of a running contract with them through the Indian Stores Department, Delhi, for the supply of all mild steel sections, bars and plates which could be rolled in their mills.

In March 1932 the Government of India informed the Chamber that contracts for steel requirements of Government Departments (including State Railways) would be dealt with strictly in accordance with the rules for the supply of articles required for the public services. It was added that the Chief Controller of Stores, Indian Stores Department,

had invited competitive tenders for these stores according to the ordinary procedure.

INDIAN STORES DEPARTMENT.

Supply of Piecegoods.

On receipt of a representation from a member the Committee after consulting the Import Sub-Committee of the Chamber and members interested, addressed the Chief Controller of Stores, Indian Stores Department, in August 1932 in connection with the following clause which was proposed to be included in contracts for the supply of piecegoods to the Indian Stores Department.

"Bales or packages will be clearly marked with contents and total number of yards of material contained in each package or bale. A definite percentage of packages or bales will be examined and if any discrepancy is discovered, a further similar percentage would be likewise examined, the average shortage thus discovered will be calculated against the whole consignment and the shortage debited to the contractor."

The Committee suggested that the clause in question should be re-drafted so as to provide for an examination of 10 per cent. of the consignment in respect of length and width of the pieces only but not quantity nor number of pieces. In the event of any shortage being discovered in the length or width of the pieces, the Committee considered that the supplier should be given an opportunity to be present at a re-examination of the goods already opened or to have a further 10 per cent. opened and examined in his presence, such shortages for the whole delivery being calculated on the revised findings. The Committee considered that shortage in

the number of pieces per package should be the actual shortage and not based on a percentage. The Committee suggested that the clause should be re-drafted so as to read :—

" Bales or packages will be clearly marked with contents and the total number of pieces and yards contained in each package or bale. A definite percentage of packages or bales will be examined and if any discrepancy is discovered in respect of declared widths or lengths of the pieces, the sellers shall be notified of the discrepancy and invited to attend at a re-measuring of the goods opened and, if required, a further 10 per cent. of the delivery shall be opened and examined. The average shortage discovered in the first lot examined (when a second lot is not opened) will be calculated against the whole consignment. Similarly when the second lot is opened then the average shortage of that lot will be calculated against the whole consignment and the shortage debited to the contractor. Shortage in the number of pieces per bale or package shall be the actual number of pieces found short and not based on a percentage."

The Committee enquired whether, if it was decided to insert the contract clause in question, the Controller would be prepared to modify it in the manner suggested above.

Up to the time of writing this report no reply had been received from the Chief Controller of Stores.

GOVERNMENT COMPETITION WITH PRIVATE ENTERPRISE.

DISTILLERIES.

(*See Reports* 1930, *Vol. I, page* 238 ; 1931, *Vol. I, page* 301).

In view of further representations that had been received by the Chamber in regard to the competition of the Government Distillery at Nasik with private enterprise in respect of the manufacture not only of rectified spirit and commercial alcohol but also of rum and brandy, the Committee in January

1932 addressed the Government of Bombay and pointed out that this Chamber had always been strongly opposed to Government entering into competition with private enterprise. While it was admitted that by manufacturing commercial alcohol the Nasik Distillery was reducing its overhead charges on the manufacture of country spirit, the Committee were at a loss to understand why the Distillery had been permitted to extend its activities by manufacturing rum and brandy and selling the commodities wholesale.

The Committee stated that it might be contended on behalf of the Government of Bombay that they had as much right to manufacture foreign liquor as they had to make country spirit. The Committee were not disposed to admit the right of Government to manufacture country spirit more than cotton goods or sugar, but as country spirit was a Government monopoly, outside distillers could not enter this market and there was consequently no competition. The position was different with foreign liquor. This entered an open market in which the imported and indigenous articles competed and there did not appear to be any justification whatever for Government entering the business. It was understood that the Distillery made large profits from the manufacture of country spirit and it could not therefore be pleaded that the manufacture of foreign liquor was undertaken to prevent a loss.

The Committee expressed a hope that the Government of Bombay would issue instructions for the discontinuance of the manufacture and sale of foreign liquor at the Nasik Distillery.

The Government of Bombay replied in July that they claimed full power to regulate the manufacture of and trade in intoxicating liquors and drugs, and they regretted that they

were unable to accept the suggestion of the Chamber that the manufacture by Government of country liquor was comparable with the manufacture by them of cotton goods or sugar. Provincial Governments in India had, in pursuance of their policy of strict control of the manufacture and sale of country spirit, for many years arranged for the manufacture of country spirit in Government and private distilleries. This system of managed monopoly received the approval of the Indian Taxation Enquiry Committee, 1924-25, which recommended its extension wherever possible. It was true that manufacture in Government distilleries had generally been done by contractors and not departmentally, but that did not really affect the principle at issue. The policy of Government purchase, ownership and departmental management of the Nasik Distillery had been explained at length in the Legislative Council and had been approved by that body.

The rum and brandy manufactured at the Nasik Distillery though designated in the trade as "country-made foreign liquor" could, in the opinion of the Government of Bombay, hardly be said to compete directly with imported foreign liquor. "Country-made foreign liquor" was in fact, country spirit specially coloured or flavoured. There was, moreover, no private distillery making rum, brandy or other "country-made foreign liquor" in the Bombay Presidency so that private enterprise in this Presidency could not complain of unfair competition. In this connection it was pointed out that although the Government of Bombay had hitherto freely admitted Indian-made foreign spirit from other provinces and from Indian States, they nevertheless held that it was within the scope of their powers and policy to restrict this import if it seemed desirable in the public interest to do so.

It was presumably in pursuance of the same principle that the Punjab Government had prohibited the import of Indian-made foreign spirit from any other part of India and admitted only a certain brand of rum made in the United Provinces. If Government abandoned the manufacture of "country-made foreign liquor" at Nasik Distillery, the gap would be filled principally by a distillery in a neighbouring Indian State. The manufacture of rum, brandy and rectified spirit at the Nasik Distillery provided a market for the bulk of the molasses output of the Belapur Sugar Company.

The manufacture of intoxicating liquor could, in the opinion of the Government of Bombay, be justified as an exception to the general principle that Government should not as a rule manufacture commodities for public sale. The liquor was strictly regulated and intoxicating liquor was an important object of taxation. Government must, therefore, hold themselves free to decide the extent to which they might directly participate in manufacture and sale. The special circumstances in which a single Government distillery for the Presidency had been acquired and equipped at great cost, the administrative and financial advantages of departmental management, and the necessity of utilising its manufacturing resources to the utmost justified the manufacture and sale of potable Indian-made foreign spirit.

In conclusion Government pointed out that if the manufacture of rectified spirit, rum and brandy at Nasik Government Distillery were stopped the following results amongst others would occur :—

(1) The Belapur Sugar Company would lose a good local market for a large part of their molasses.

(2) The gap in the country-made foreign liquor market would be largely filled by supplies from a neighbouring Indian State. The distillery in this State would use local material as a base.

(3) The profits thus lost to the Bombay Government by diversion to a distillery outside the Province would have to be met either from fresh sources of revenue or by a corresponding amount of retrenchment.

The Committee passed on the Government of Bombay's reply to the Bengal and Upper India Chambers.

GOVERNMENT COMPETITION WITH PRIVATE ENTERPRISE.

JAIL INDUSTRIES.

(*See Reports*, 1923, *Vol. I, page* 17; 1924, *Vol. I, page* 58; 1925, *Vol. I, page* 325 : 1927, *Vol. I page* 231; 1929, *Vol. I, page* 225; 1931, *Vol. I, page* 305.)

At the annual general meeting of the Associated Chambers of Commerce of India and Ceylon held at Calcutta on the 14th and 15th December 1931, the following resolution was unanimously adopted :—

" This Association urges that Government's policy in the matter of industries run by their departments coming into competition with private enterprise be again clearly laid down for the guidance of local Governments, as from a few recent instances it would appear that jail industries have been allowed to complete unfairly with private enterprise."

The Associated Chambers sent copies of the resolution to the Government of India, and the Governments of Assam, Bengal, Bihar and Orissa, Bombay, Burma, Central Provinces, Madras, Punjab and the United Provinces and the following replies were received :—

The Government of India referred to the Hon'ble Sir Joseph Bhore's explanation, in the course of the discussion, on the Government

of India's attitude and stated that they had nothing to add to what he then said except that the general assurances very recently given to them by local Governments made it unnecessary for them to take further action at the moment.

The Government of Madras explained that the main object underlying their policy in regard to jail industries, was the reformation of the prisoner and that articles manufactured in jails were primarily intended to meet the needs of the consuming departments of Government.

The Government of Bengal replied that the complaints made in the resolution alleging jail competition with private enterprise did not concern the Bengal Presidency, as the price of jail made articles in the province of Bengal was invariably higher than market rates.

The Governments of the United Provinces, Central Provinces, Bombay, Assam, and Bihar and Orissa acknowledged the papers without comment.

DELAYS IN HIS MAJESTY'S ASSAY OFFICE, BOMBAY.

(*See Report*, 1931, *Vol. I, page* 25.)

It was noted in the Chamber's Report for 1931 that the Committee had addressed the Government of India drawing attention to the inordinate delay that had been experienced by the trade in the issue of assay certificates by His Majesty's Assay Office, at Bombay.

The Government of India in reply stated that they had sanctioned the appointment of an additional assistant in order to expedite the work of the Assay Office. They regretted, however, that it would be impossible to arrange for the issue of assay certificates without considerable delay as long as

abnormally large amounts of gold and silver continued to be presented at the Mint. In order to arrange for the issue of these certificates promptly not only additional establishment but also an extension of the plant at the Mint would be required. The additions to the plant could not be made under 4 months and would involve considerable expenditure. In view of the uncertainty as to the continuance of existing conditions, the Government of India felt that they would not be justified in undertaking this extension of the plant.

The Committee thereupon enquired of the Mint Master as to what additional plant would be required by him to enable him to expedite the issue of assay certificates and what would be the estimated cost of such plant. The Committee also asked whether the necessary plant was available at the Calcutta Mint and whether it would be possible to transfer the plant to Bombay if it was not thought desirable to reopen the Calcutta Mint.

The Mint Master in reply stated that sanction had been received from Government of India to the appointment of an additional assistant in the Assay Office and it was hoped to make this appointment in the near future. In the meantime sanction had been requested for the appointment of additional labour and a second additional assistant on a temporary basis, which, if approved, would allow an output of over 200 musters a day, in duplicate, within about six weeks. The existing output was 140. This output could be obtained, it was hoped, without any additional plant, and the arrears should then be worked off in about three months' time provided no further rush of gold assays was met with. The Mint Master added that there was no plant available at the Calcutta Mint for transfer, and to equip an Assay Office at Calcutta

would cost approximately Rs. 16,000 excluding the extra cost of salaries of staff.

HIRE PURCHASE OR CONDITIONAL SALES AGREEMENTS.

The following resolution was carried unanimously at the annual general meeting of the Associated Chambers of Commerce of India and Ceylon held at Calcutta in December 1931 :—

" With a view to encouraging sales under agreements such as hire purchase agreements, or sales subject to payment by instalments, this Association recommends to the Government of India that legislation should be introduced which will effectively protect the rights of the seller until he had received payment in full, particularly in cases where the sale is of machinery which has to be attached to the freehold."

A copy of the resolution and of the report of the discussion which preceded its adoption was forwarded to the Government of India who stated in reply that they had at the moment no reason to think that the existing Indian law on the subject was defective and that fresh legislation was therefore required. They pointed out that no instances of inconvenience and difficulty experienced in practice in respect of hire purchase agreements of the kind under discussion had been furnished to the Government of India as was suggested by Sir George Rainy at the meeting. The Associated Chambers subsequently enquired if this Chamber was able to furnish any instances of inconvenience or difficulty in order that they might be brought to the notice of the Government of India. After making enquiries amongst members likely to be interested the Committee replied that they understood that members of this Chamber had no recent experience of difficulties or inconvenience in respect of hire purchase agreements for the reason that they had not been doing this type of business.

EMPIRE SHOPPING WEEKS IN THE UNION OF SOUTH AFRICA.

The Chamber in November 1932 received from the Director General of Commercial Intelligence and Statistics, Calcutta, papers in connection with the "Empire Shopping Weeks" held in the Union of South Africa during the past year. It was pointed out that India's trade with South Africa was not inconsiderable and was probably capable of further development by means of these Empire Shopping Weeks and it was possible that the latter would be repeated in the forthcoming year. The Director General asked that members interested in trade with South Africa would send direct to His Majesty's Senior Trade Commissioner at Johannesburg, or to the Commercial Intelligence Office at Calcutta for transmission to him, suitable photographs and literature relating to the manufactures and production in which they are interested.

The papers were brought to the notice of all members of the Chamber.

RULES OF THE BOMBAY NATIVE SHARE AND STOCK BROKERS' ASSOCIATION.

(*See Reports*, 1923, *Vol. I*, *page* 55 ; 1925, *Vol. I*, *page* 297 ; 1926, *Vol. I*, *page* 75 ; 1927, *Vol. I*, *page* 108 ; 1930, *Vol. I*, *page* 224).

The Government of Bombay by Notification No. 2902-D., dated 10th October 1932, amended Rule 372 of the Native Share & Stock Brokers' Association's Rules. Rule 372 previously read as follows :—

" The hours of business for forward bargains shall be from 12 noon to 4 p.m. and for cash dealings from 12 noon to 5 p.m. every business day except on Saturdays when they shall be from 12 noon to 2 p.m.

The market shall be closed one hour earlier on the occasion of the death of a Member as a token of respect for the memory of the deceased."

The following amendment was made :—

At the end of the first paragraph of Rule 372, the words

"The Board of Directors may by resolution extend these hours of business from time to time either by earlier opening or later closing," were added.

ROAD DEVELOPMENT IN INDIA.

The Indian Roads and Transport Development Association, Ltd., in March 1932 intimated that the following resolution was being moved by one of the members of the Bombay Presidency Road Board at its meeting on the 22nd March and they requested that if the Committee agreed with the resolution the Chamber's representative might be instructed to give the resolution his support :—

" As the revenue derived from the Petrol Tax is totally inadequate for Road Development needs in the Bombay Presidency and under present arrangements the present generation is paying heavily for works that will mainly benefit not it but posterity, this Board is of the opinion that the Central Government should be urged as soon as favourable conditions prevail to sanction the financing of a comprehensive scheme of road development by means of Road Bonds, preferably serial, by this province."

The Committee requested the Chamber's representative on the Road Board to support the resolution.

At a later date the Committee were informed that it was proposed to move the following resolution at a subsequent meeting of the Road Board :—

" In confirming the resolution passed at the ninth meeting of this Board held on March 22nd that the Central Government be urged to

sanction the financing of Road development in the Bombay Presidency by means of Road Bonds, preferably serial, this Board now desires to amplify the resolution by adding that such Loans or Bonds should be guaranteed by the excise and import duties levied on petrol, for the payment of interest and sinking fund on any such road loan as and when raised."

The Committee requested the Chamber's representative on the Road Board to support this resolution also, but suggested for consideration that if found practicable the Bonds should not be merely guaranteed by, but be a first charge on, the specific revenue mentioned in the Resolution.

GEOLOGICAL SURVEY OF INDIA.

Towards the end of 1931, the Chamber had under consideration a memorandum by Sir C. V. Raman Palit, Professor of Physics, University College of Science, Calcutta, in regard to the retrenchments proposed to be carried out in the Geological Survey of India. Professor Raman stated that by carrying out the scheme outlined by the Retrenchment Committee Government would save about Rs. 3 lakhs a year which saving he contended would be out of all proportion to the loss which the mining industries would suffer in the absence of a Government agency of this nature. He expressed the hope that the Chamber would represent to Government the necessity for continuing the Geological Survey at its existing strength at least, in view of its importance in the development of the country's mineral industry and commerce.

The Chamber was also addressed by the Associated Chambers of Commerce of India and Ceylon in the same connection.

In replying to the Associated Chambers the Committee stated that in their opinion the proved mineral deposits of

India as at present known were due in a large measure to the Geological Department's efforts in locating and mapping the mineralised areas of the country. The usefulness of the data prepared by the Department was appreciated by the mining fraternity and had greatly assisted them in deciding on the best policy to adopt in developing economically the deposits for mining. Displacements of mineral veins were of common occurrence and if the geologists' opinion were not available to assist in locating the deposits such displacements would have a tendency considerably to reduce the available mineral reserves of the country which would in turn naturally affect the income which Government derived from royalties. In addition to the usefulness in this respect that the Department could be to existing concerns, there was ample scope for the Department to carry out field work systematically and increase the mineral resources of the country.

The Committee felt that the efficiency and usefulness of the Department would be greatly improved by a reorganisation of the personnel and that even in these times of financial stress it would be a short-sighted policy to close the Department down even temporarily.

A copy of the Chamber's letter to the Associated Chambers was sent to Sir C. V. Raman for information.

The Associated Chambers subsequently forwarded to the Chamber copies of the replies that had been received from some of the constituent Chambers and stated that in view of the opinions expressed the President did not propose to take any action in the matter.

Under the circumstances the Committee addressed the Government of India direct on the lines of their letter to the Associated Chambers.

CONSULAR INVOICES ISSUED BY THE CHINESE CONSULATES.

The Chamber in December 1932 received a copy of the Regulations governing the issue of Consular Invoices promulgated by the National Government of the Republic of China on the 11th June 1932.

The Regulations were placed at the disposal of members interested.

VERNACULAR EXAMINATIONS.

(*See Report*, 1931, *Vol. I, page* 321).

The Government of Bombay in June 1932 furnished the Chamber with a copy of the rules for the standardised examinations in Hindustani of assistants of banks and mercantile firms, prescribed by the Board of Examiners, (Army Department), Simla, in consultation with the Bengal Chamber of Commerce and some of the leading firms.

Members interested were invited to inspect the papers in the rooms of the Chamber and to express their opinions on the rules.

The Committee subsequently informed the Government of Bombay that the rules were acceptable to the Chamber.

BURSTING OF THE MONSOON.

The Meteorologist, Bombay, informed the Chamber that the dates of the first appearance of the regular monsoon in 1932 in Malabar and at Bombay were the 2nd June and the 16th June respectively.

WEATHER WORKING DAYS.

The following days, during the monsoon months of 1932, were declared by the Committee of the Chamber to be half or non-weather working days for steamers in the docks :—

Wednesday,	22nd June	..	Half weather working day.
Friday,	24th June	..	Non „ „ „
Friday,	8th July	..	Half „ „ „
Saturday,	9th July	..	Non „ „ „
Monday,	25th July	..	Half „ „ „

The Deputy Conservator, Bombay Port Trust, also declared the following days to be half or non-weather working days in the stream :—

Thursday,	14th July	..	Non-weather working day.
Friday,	15th July	..	Half „ „ „

EXHIBITIONS AND FAIRS.

Papers in connection with the following exhibitions and fairs were received during the year under review and were placed at the disposal of members :—

XIIIth Official and International Commercial Fair, Brussels, 6th to 20th April 1932.

Swiss Industries Fair, Basle, 2nd to 12th April 1932.

Third International Hygienic Congress, Lyons, 6th to 9th March 1932.

40th Chemists' Exhibition, London, 23rd to 27th May 1932.

All-India Industrial Exhibition and Fancy Fête, Bombay, January 1933.

The C. C. S. Trades Exhibition, organised by the Canteen Contractors Syndicate, Ltd., Delhi, 14th to 24th February 1933.

The British Industries Fair, London and Birmingham, 20th February to 3rd March 1933.

The Chicago World Exhibition, June to November 1933.

LIST OF ACTS AFFECTING COMMERCE AND INDUSTRY PASSED BY THE INDIAN LEGISLATURE DURING THE YEAR 1932.

Central Legislature.

I. Indian Companies (Amendment).
III. Wheat Import Duty (Extending).
IV. Indian Finance (Supplementary and Extending) Amendment.
V. Wire and Wire Nail Industry (Protection).
VI. Bamboo Paper Industry (Protection).
VII. Salt (Additional Import Duty).
IX. Indian Partnerships.
XIII. Sugar Industry (Protection).
XV. Indian Tariff (Wireless Broadcasting) Amendment.
XIX. Trade Disputes (Amendment).
XXV. Indian Tariff (Ottawa Trade Agreement) Amendment.

Bombay Legislative Council.

I. Tobacco Duty (Town of Bombay) Amendment.
II. Bombay Finance.
IV. Bombay Cotton Contracts.
VI. Bombay Finance (Amendment).
XV. Bombay Weights and Measures.

BOMBAY CHAMBER OF COMMERCE.

Dr. *Income and Expenditure Account for the year ended 31st December 1932.* *Cr.*

EXPENDITURE	Rs. a. p.	Rs. a. p.	INCOME.	Rs. a. p.	Rs. a. p.
To—			By—		
Contribution towards publication of Weather and Crop Reports for the year 1932	500 0 0		Subscriptions—		
Subscription to Weather and Crop Reports	69 0 0		Chamber Membership ..	63,000 0 0	
Donation to the Sydenham College of Commerce and Economics ..	750 0 0		Associate Membership ..	1,650 0 0	
Membership Subscription to the Federation of Chambers of Commerce of the British Empire ..	28 4 0		Statistical Returns ..	40,322 10 0	64,650 0 0
Membership Subscription to the Associated Chambers	640 0 0	1,987 4 0	Special Statistical Returns.	3,795 4 0	
Office Salaries	65,724 6 0		Statistical Miscellaneous Receipts	164 0 0	44,281 14 0
Office Rent	7,850 0 0				
Printing Miscellaneous Papers, Annual Report for 1931, etc. ..	9,125 0 0		Measurement Fees	79,305 1 6	
Advertisements	72 0 0		Miscellaneous Receipts ..	421 0 0	79,726 1 6
Books and Periodicals	855 2 3				
Stationery	580 4 0		Balance of Receipts over Expenditure on Arbitration Fees	....	380 0 0
General Charges	2,092 2 6				
Telephone Charges	640 0 0		Fees for issuing Certificates of Origin, etc.	....	1,493 0 0
Fire Insurance Premium	14 1 0				
Contribution to the Provident Fund (Office Staff)	4,833 12 0		Miscellaneous Receipts	....	123 4 6
Law Charges	472 0 0				
Auditors' Fee	250 0 0		Interest on Investments ..	....	7,593 6 3
Cost of Petrol, oil, etc., for and upkeep of the Office Motor Car ..	2,975 6 0		Dividends	....	140 0 0
Port Trust Ground Rent	100 0 0				
Depreciation written off on the cost of Office Furniture	1,024 15 0	96,609 0 9			1,98,387 10 3
Statistical Department expenses—					
Salaries of the Staff	22,484 0 0				

Cost of cyclostyling returns ..	8,131	7	0		Balance being Excess of Expenditure over Income transferred to Chamber's Balance Sheet		12,078 0 8
Printing Returns	12,150	12	0				
Contribution to the Railway ..	1,997	8	0				
Books and Periodicals	116	0	0				
Stationery	163	9	0				
Petty charges	401	5	3				
Contribution to the Provident Fund	2,150	0	0				
Depreciation written off on the cost of Furniture	10	8	0				
				47,605 1 3			
Measurement Department expenses—							
Salaries of the Staff	55,475	2	0				
Printing charges	185	8	0				
Stationery	91	6	0				
Telephone rent	290	0	0				
Petty charges	373	14	0				
Contribution to the Provident Fund	4,080	0	0				
Pensions and Gratuities .. .	360	0	0				
				60,855 14 0			
Travelling Expenses	....			590 6 0			
Interest on overdraft	....			675 1 11			
Passage	....			2,142 15 0			
Total Rs. ..	....			2,10,465 10 11	Total Rs. ..		2,10,465 10 11

Examined and found correct.

G. C. POCOCK,
Chartered Accountant,
Auditor.

BOMBAY, *2nd March* 1933.

HUGH G. COCKE,
President.

L. A. HALSALL,
Member of Committee.

R. J. F. SULIVAN,
Secretary.

BOMBAY CHAMBER OF COMMERCE.

Balance Sheet as at 31st December 1932.

LIABILITIES.	Rs. a. p.	Rs. a. p.
Sundry Creditors—		
Bank overdraft secured by deposit of Securities	....	54,939 4 6
Auditor's Fees and bills for printing, etc. for December 1932 unpaid	....	406 12 0
Chamber of Commerce Accumulated Fund—		
Balance on 31st December 1931	1,40,978 15 3	
Less—Excess of Expenditure over Income for 1932	12 078 0 8	1,28,900 14 7

ASSETS.			Rs. a. p.	Rs. a. p.
Value of Office Furniture as per last Balance Sheet			6,479 1 6	
Less—Depreciation at 10 per cent. written off this year			1,024 15 0	5,454 2 6
Cost of Statistical Department Furniture, etc., as per last Balance Sheet			10 8 0	
Less—Depreciation at 25 per cent. written off this year			10 8 0	....
INVESTMENTS.				
	Value on 31st December 1932.		Cost Price.	
	Rs a. p.		Rs. a. p.	
5 per cent. 1939-44 Loan for Rs. 85,300	87,432 8 0		82,314 8 0	
5 per cent. Government 1935 Bonds for Rs. 20,800	21,242 0 0		20,384 0 0	
5 per cent. Government Income Tax Free Loan, 1945-55, for Rs. 71,000.	76.014 6 0		71,000 0 0	
	1,84,688 14 0			
Less—Appreciation	10,990 6 0			
	1,73,698 8 0		1,73,698 8 0	1,73,698 8 0
Cost of 40 Shares of the Bombay Telephone Company, Limited			....	1,730 0 0
Interest accrued but not received on the above Investments up to 31st December 1932			..	2,609 2 4
Deposit with the Government of India, Central Publication Branch, Calcutta			..	100 0 0

				Cash in hand	....	655 2 3	
Total Rs. .	....	1,84,246 15 1		Total Rs. ..	....	1,84,246 15 1	

I beg to report that I have audited the balance sheet of the Bombay Chamber of Commerce as above set forth, and have obtained all the information and explanations required. The above balance sheet exhibits a true and correct view of the state of the Chamber's affairs according to the best of my information, and the explanations given to me, and as shown by the books of the Chamber and in my opinion is drawn up in conformity with the law.

G. C. POCOCK,

Chartered Accountant,

Auditor.

HUGH G. COCKE,

President

L. A. HALSALL,

Member of Committee.

R. J. F. SULIVAN,

Secretary.

BOMBAY, *2nd March* 1933.

THE BOMBAY CHAMBER OF COMMERCE PROVIDENT FUND.

Statement of Accounts from 1st January to 31st December 1932.

	Rs. a. p.	Rs. a. p.	Rs. a. p.
By Balance at Credit of this account on 31st December 1931	....	2,91,755 4 6	
Less—			
Reserve Fund transferred to Lapses and Forfeitures account ..	....	2,467 2 7	
			2,89,288 1 11
Add—			
Subscriptions received from Members	....	11,063 12 0	
Contributions paid by the Chamber of Commerce	....	11,063 12 0	
Interest	....	14,319 4 5	36,446 12 5
			3,25,734 14 4
Deduct—			
Non-refundable withdrawals (Rule 28 (4))	....	....	547 6 0
To Balance at Credit of this Account on 31st December 1932 ..	....	....	3,25,187 8 4
Add—Lapses and Forfeitures account	....	....	5,945 0 7
			3,31,132 8 11

Held thus—

INVESTMENTS.	Value on 31st December 1932. Rs. a. p.	Cost Price. Rs. a. p.
3½ per cent. Government Promissory Notes of the Loans of 1854-55 and 1900-01 for Rs. 6,000	4,458 12 0	4,925 0 0
4 per cent. City of Bombay Improvement Trust Bonds for Rs. 32,000	24,480 0 0	31,420 0 0
4 per cent. Bombay Port Trust Bonds for Rs. 21,000	16,485 0 0	21,013 12 0
4 per cent. Bombay Municipal Bonds for Rs. 3,500	3,026 4 0	3,627 8 0

5 per cent. Bombay Municipal Water Works Debenture Loan 1948 for Rs. 10,000	9,250	0	0	10,000	0	0	
5 per cent. Government Loan, 1929-47 Bonds, for Rs. 15,000 ..	15,168	12	0	14,971	14	0	
5 per cent. Government Loan, 1939-44 Bonds, for Rs. 70,700 ..	72,467	8	0	64,241	14	0	
4 per cent. Government Loan, 1960-70, for Rs. 15,400	13,167	0	0	13,765	4	0	
4½ per cent. Government Loan, 1955-60, for Rs. 26,000	24,830	0	0	24,415	0	0	
5 per cent. Government Loan, 1935 Bonds, for Rs. 16,100	16,442	2	0	15,778	0	0	
5½ per cent. Government Loan, 1938-40, for Rs. 1,14,000	1,19,130	0	0	1,14,555	15	0	
	3,18,905	6	0	3,18,714	3	0	
Less—Appreciation in Value of the above Securities	191	3	0				
	3,18,714	3	0	3,18,714	3	0	
Amount due by Members	....			3,081	10	8	
Cash in the Imperial Bank of India	....			9,336	11	3	
							3,31,132 8 11

Examined and found correct.

G. C. POCOCK,

Chartered Accountant,

Auditor.

HUGH G. COCKE,

President.

L. A. HALSALL,

Member of Committee.

BOMBAY, 1*st March* 1933.

R. J. F. SULIVAN,

Secretary.

Report

OF THE

Bombay Chamber of Commerce

FOR THE YEAR 1932.

CORRESPONDENCE, DOCUMENTS AND STATISTICS.

Bombay:

THE TIMES OF INDIA PRESS.

1933.

COMMERCIAL CONVENTION BETWEEN INDIA AND POLAND.

His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, and the President of the Polish Republic,

desiring to facilitate the commercial relations between India and Poland,

have resolved to conclude a Convention for that purpose and to that end have appointed as their Plenipotentiaries:

His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India,

The Right Honourable Sir William Augustus Forbes Erskine, G.C.M.G., M.V.O., His Majesty's Ambassador Extraordinary and Plenipotentiary to the Polish Republic,

The President of the Polish Republic:

His Excellency August Zaleski, Minister for Foreign Affairs,

His Excellency Aleksander Prystor, Minister of Commerce and Industry;

who having communicated to each other their full powers found in good and due form have agreed as follows:—

Article 1.—The territories of the High Contracting Parties to which the present Convention applies are, on the part of His Majesty, India, and on the part of the President of the Polish Republic, the Polish Customs Territory.

Article 2.—Any article, the produce or manufacture of the territories of one of the High Contracting Parties, shall

enjoy unconditionally upon importation into the customs territory of the other High Contracting Party treatment at least as favourable as that accorded or to be accorded in future to goods produced or manufactured in any other foreign country—and shall in particular not be subject to customs duties, additional customs charges or to any other charges higher than those to which goods of the same kind of the most favoured foreign country are, or will be, subject.

Articles produced or manufactured in the territories of either of the High Contracting Parties exported to the territories of the other shall not be subjected to customs duties or other charges higher than those paid on articles of the same kind exported to any other foreign country.

Each of the High Contracting Parties undertakes to grant to the other immediately and unconditionally every concession, privilege in customs matters and every reduction of customs duties or charges which have been or may be accorded in future in his territories temporarily or permanently to any other foreign country.

Article 3.—The stipulations of article 2 do not apply—

(1) To privileges which have been or may be accorded in future by each of the High Contracting Parties to the frontier traffic with the neighbouring States;

(2) To special favours resulting from a Customs Union with a third State;

(3) To the provisional customs regime at present existing between the Polish and the German portions of Upper Silesia;

(4) To privileges and facilities of any kind which Poland has accorded or may accord in future to Latvia, Estonia, Finland or Lithuania.

Article 4.—Neither of the High Contracting Parties shall introduce or maintain in force any prohibitions or restrictions on the importation into his territories of goods the produce or manufacture of the territories of the other or on the exportation from his territories of goods consigned to the territories of the other which are not simultaneously applied to the importation of goods of the same kind of any other foreign country or to the exportation of goods of the same kind to any other foreign country.

This stipulation shall not apply to prohibitions or restrictions issued for reasons of public safety or of the protection of animals or plants against diseases or pests, on the condition, however, that such prohibitions and restrictions shall not be applied in a manner that would create an arbitrary discrimination between foreign countries in which conditions of the same kind prevail, or in a manner that would cause a concealed restriction in the international exchange of goods.

Article 5.—The present Convention shall be ratified and the instruments of ratification shall be exchanged at London as soon as possible. It shall come into effect thirty days after the exchange of the instruments of ratification and shall remain in force until the expiration of six months from the date on which a notice of denunciation is transmitted by One of the High Contracting Parties to the Other.

Done in duplicate each in English and Polish, both authentic.

In witness whereof the above-named Plenipotentiaries have signed the Present Convention and have applied thereto their seals.

Warsaw, the 8th of May 1931.

COMMERCIAL CONVENTION BETWEEN INDIA AND BRAZIL.

Letter No. 128, dated 21st July 1932, from His Majesty's Chargé d'Affaires Rio de Janeiro to the Minister for Foreign Affairs Rio de Janeiro.

The Government of India and the Brazilian Government being desirous of concluding by an exchange of identic notes an arrangement for facilitating and regulating commercial relations between the two countries, I have the honour under instructions from His Majesty's Principal Secretary of State for Foreign Affairs, and in accordance with the wishes of the Government of India, to confirm to Your Excellency that the Government of India approve an arrangement in the following terms :—

(1) (*a*) Goods, the produce or manufacture of Brazil imported into India (whether for consumption, re-export or transit), will receive treatment not less favourable than that granted to goods, the produce or manufacture of any other country not being part of the territory of His Majesty's dominions or territory under His Majesty's protection or mandate.

(*b*) Goods, the produce or manufacture of India imported into Brazil (whether for consumption, re-export or transit), will receive treatment not less favourable than that granted to goods, the produce or manufacture of any other foreign countries.

(2) The arrangement constituted by the present exchange of notes shall come into force immediately and shall

continue until six months after notice of its termination shall have been given by either party.

(3) It is agreed that the above provisions of reciprocal most-favoured-nation treatment shall not extend to advantages now accorded to adjacent countries in order to facilitate frontier traffic or to advantages granted to a third country in virtue of a customs union which has already been or may hereafter be concluded.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

A letter dated 21st July 1932 was addressed by the Minister for Foreign Affairs, Rio-de-Janeiro, to His Majesty's Chargé d'Affaires intimating that the Brazilian Government accepted the proposal and assumed the responsibilities arising therefrom.

ANTI-DUMPING LEGISLATION.

Letter No. 2340/162 dated 22nd September 1932 from the Secretary, Bombay Chamber of Commerce, to the Secretary to the Government of India, Department of Commerce, Simla.

I am directed to refer to my letter No. 1630/162, dated 29th June last, supporting a representation from the Bombay Millowners' Association in favour of the protection of the cotton textile industry. In that letter it was suggested that the report of the Tariff Board might form the basis of an immediate enquiry into the general effect on Indian industries of depreciated currencies with special reference to the marked decline in the Yen. Subsequently the Chamber's representatives attended a conference at Simla with the Acting Commerce and Finance Members and pressed for action to be taken on

the lines of an exchange compensation duty on articles of various kinds the price of which is affected by depreciation of the currency in the country of origin. It has been pointed out that action under Section 3 (5) of the Indian Tariff Act, 1894, can only be taken in respect of certain articles of iron and steel and cotton piece-goods and such action my Committee are pleased to observe has recently been taken in the case of cotton piece-goods. This action would point to a realisation on the part of the Government of India of the desirability of protecting India's indigenous industries against the effects of depreciated currencies. When my Committee had the privilege of discussing this question on 31st ultimo with the Hon'ble Sir C. P. Ramaswamy Iyer they obtained confirmation of Government's views on this point and they were much impressed by the sympathetic attitude adopted by the Acting Commerce Member.

Owing to the nature of the existing legislation the imports of cotton piece-goods from a number of other countries whose currencies are still based on gold and whose imports do not adversely affect the Indian mill industry, have had to be penalised in order to ensure to Indian mills adequate protection against imports from Japan following on the depreciation of the Yen. This fact, my Committee consider, demonstrates the urgent necessity of some form of " anti-dumping " legislation which will empower Government to take prompt executive action to protect all indigenous industries which may be adversely affected by abnormal importations from any particular country or countries due to depreciated exchanges, etc., and the object of this letter is to urge that no time be lost in introducing such legislation. Every day lost represents a further decline in India's indigenous industries and weakens their power to regain the ground which they are losing daily.

The urgency of the matter is sufficiently apparent from the recent alarming increase in imports from Japan which has been made possibly by the decline in the exchange value of the Yen. It is not at present possible to produce accurate statistics showing the increase in various lines as the big fall in the value of the Yen has only occurred since June last. Thus the statistics of the sea-borne trade returns for the first quarter of the financial year cannot be taken as a reliable guide. But from their personal knowledge of goods on order and the recent trend of prices my Committee are confident that

the figures of imports from Japan for the quarter July-September will show a marked increase over those for the quarter April-June. This view will be borne out by an examination of the various trade and industries which are experiencing competition from Japan.

Next to the textile industry probably the most important Indian industry affected is the Cement Industry and a note* on the subject, which has been furnished by the Cement Marketing Company of India, Ltd., is attached for the information of Government. It will be seen that for various reasons, but chiefly owing to the depreciation of the Yen, the Japanese are able to sell their cement in this country at a price which has little relation to the cost of production and that unless prompt measures are taken this growing industry is likely to suffer a set-back with the inevitable repercussions on employment and loss of traffic and trade to Indian railways and other indigenous industries. The consignments of Japanese cement which have been imported *via* the Kathiawar ports in recent months would appear to have been largely in excess of local requirements and in consequence it is to be expected that considerable amounts will be marketed in the adjacent areas of Gujerat, Rajputana, etc. That these imports are likely to continue is clear from information supplied to my Committee, according to which 2,500 tons have been booked to Navlaki and 1,000 tons to Cutch Mandvi for September shipment, while enquiry has been received for 1,000 tons for Cutch Mandvi and 500 tons for Port Okha and Verawal, also September shipment. In connection with this particular industry it is understood that the South African Government levied, in addition to the ordinary duty, a special exchange dumping duty on Belgian cement owing to the depreciated currency from 1926 to 1928 and that this measure met with considerable success.

As regards the effect of Japanese competition on the leather industry in India the following figures will show the phenomenal increase in imports of shoes from Japan of recent years and the very low average price :—

Years.	Pairs.	Value.	Average per pair.
		Rs.	Rs.
1927-28 ..	171,781	1,61,001	.95
1928-29 ..	527,990	3,04,811	.58
1929-30 ..	4,043,733	29,42,458	.73
1930-31 ..	10,089,253	67,16,494	.66
1931-32 ..	8,734,243	48,72,493	.56

* Not reproduced.

It is only of recent years that this competition has been felt to any serious degree. In former years large numbers of cheap leather shoes were turned out by shoemakers all over the country, mostly working on the cottage industry system. These men turned out a rough strong shoe very poorly finished but which sold at a price which suited the pockets of the masses. Japanese competition has forced a large proportion of these shoemakers to close down entirely and has thus deprived many thousands of members of the depressed classes of their means of livelihood. These men formerly used very large quantities of sole and upper leather produced by tanneries in India and these tanneries also have been very badly hit by Japanese competition. With the enormous depreciation in the Rupee value of the Japanese Yen, the present maximum duty of five annas per pair has been of little assistance in stemming the flood of Japanese goods and to be of any real assistance to the shoe and leather industry in India the duty would have to be raised to at least Re. 1 per pair.

My Committee understand that the Indian Paper Makers' Association addressed a letter to the Commerce Department on 11th ultimo representing the state of the Paper Industry as the result of Japanese competition. Since that letter the Yen has fallen to below Rs. 90 to 100 Yen which means that, for example, the lowest price quoted by Japanese Mills, *i.e.*, 204 Yen per ton c.i.f. Calcutta works out at annas 1/3¾ pies per lb. c.i.f. making a landed cost of annas 2/7¼. This aggravates the situation which was already sufficiently serious.

The Indian paint industry shows considerable promise but is at present suffering severely from Japanese competition. The total imports of white zinc paint from Japan in 1931-32 amounted to 320 tons approximately, but the imports for the single quarter April to June, which is normally the slack period of the year, amounted to practically half that amount. Genuine white zinc paint from Japan is now sold at about the same price as Indian white paint manufactured almost entirely from indigenous pigment and oils, *i.e.*, Rs. 17—20 per cwt. and is in consequence preferred by the consumers.

A striking illustration of the successful competition of imports from a country the currency of which is depreciated with imports from other countries not similarly affected is afforded by artificial silk piece-goods the imports of which from Japan from 1st April to

30th June 1932 were valued at Rs. 53,40,463 out of total import from all countries of Rs. 55,41,736 or 96.53 per cent. of the total trade.

From the foregoing it seems clear that the present Japanese competition is of such an abnormal nature as to constitute dumping, and my Committee have no hesitation in asserting that statistics will shortly reinforce this view. In nearly all industrial countries legislation has been devised to enable the Government to take effective action to stop such dumping and it is very unfortunate that India should be practically the only country which has no " anti-dumping " legislation. The need for such legislation is bitterly felt at the present time when the heavy depreciation in the value of the Yen has given a tremendous impetus to imports of Japanese goods. There is therefore urgent necessity for placing on the Statute Book a special " Anti-Dumping " Act empowering Government to take prompt executive action whenever there is dumping of imported goods to the detriment of indigenous industries. Although at the present moment protection is required only against Japan, the necessity for similar protection against imports from other countries might arise in the future and is therefore highly desirable to make the proposed legislation as comprehensive as possible by providing anti-dumping and exchange equalisation measures to apply to all countries.

My Committee have had before them examples of the " anti-dumping " legislation which various countries have seen fit to introduce. They have examined the relevant provisions of the United States, Canadian and Australian Acts, as also of the English Safeguarding of Industries Act and the more recent Abnormal Importations Act, which however had only temporary validity. While all these Acts have their good points some are more suited to Indian conditions than others. My Committee do not feel that it is within their province to discuss these Acts in detail or to suggest the form which legislation should take in this country. They merely wish to record their emphatic opinion that it is indispensable that legislation should be introduced at an early date to provide protection against unfair competition arising from—

(*a*) depreciation of currency operating so as to create an export bounty, or

(*b*) subsidies, bounties or other artificial advantages.

In regard to the principles which should govern " anti-dumping" legislation my Committee venture to quote a few pertinent observations made by the Indian Tariff Board in their report on additional protection for galvanized sheets. In paragraphs 8 and 9 of their report they say :—

> " In all countries in which it has been found necessary to protect home manufacturers against competition resulting from a rapid fall in the price of foreign goods, whether this has resulted from a policy of dumping as usually understood or from other causes, the method adopted has invariably been the imposition of a duty by the executive without reference to the Legislature. Clearly if serious damage to home manufactures is to be avoided, prompt action is necessary and such action can only be taken by the adoption of measures which do not involve legislative sanction. The provision in the Steel Protection Act of additional duties leviable by the Governor-General in Council is a clear recognition of this principle by the Indian legislature. . . . . We attach great importance to prompt action where the necessity of additional assistance during the protective period is established. The present is a period of intense competition and in the case of other industries besides steel any protective scheme to be effective must contain a provision for additional duties which may be enforced automatically, Indian industries are exposed to attack not only, as in the case of steel by Continental manufacturers who wish to dispose of their surplus production but also by those combinations and quasi monopolies in foreign countries which form such a prominent feature in modern industrial organisation."

The Tariff Board in this extract have enunciated very sound principles which might well be borne in mind in framing " anti-dumping " legislation for this country. The two points stressed by the Tariff Board are that the Act should make it possible for Government to take very prompt action, and that with this end in view Government should be armed with powers to take immediate executive action without reference to the Legislature.

It may be objected that legislation of the kind proposed could not be employed against Japan owing to the Indo-Japanese Convention which provides for most-favoured-nation treatment. There is,

however, authority for the contrary view. Prof. Jacob Viner of the University of Chicago in his book on Dumping says:—

> "Many countries have nevertheless asserted their right to impose additional duties on imports or articles from countries which grant bounties on such articles, even though these countries are entitled by treaty to most-favoured-nation treatment, and some jurists have conceded the validity of such claims."

The following extract from the same book throws interesting light on the attitude of the Government of India to the same question on a previous occasion:—

> "It was not until 1899, when India upon the insistence of Joseph Chamberlain, the British Secretary of State for the Colonies, enacted a bounty-countervailing provision, that the British Government definitely and unqualifiedly committed itself, in reply to the Russian protests against the Indian duties, to the position that countervailing duties were not in violation of most-favoured-nation obligations."

Should, however, the Government of India after due consideration reach the conclusion that a general anti-dumping and exchange equalisation measure could not be applied against Japan in present circumstances then in the opinion of my Committee the situation is sufficiently serious to warrant the Government of India announcing forthwith their intention of terminating the 1905 Convention.

The justification of the Indo-Japanese Convention hitherto has been that exports of pig iron from Bengal to Japan might have the benefit of the most-favoured-nation treatment, but in June last Japan imposed a greatly enhanced duty on pig iron, and while it is true the duty applies all round, it mainly affects exports from India which had already shown a marked decline in recent years. It has been averred that if India were to denounce the Convention Japan would retaliate by placing a prohibitive tariff on Indian cotton. But it is more than doubtful whether the Japanese Textile Industry would be able to dispense with Indian short staple cotton, unless indeed the parity of American cotton were so low as to make the difference in price negligible. There is moreover the possibility that India will

be less dependent on Japan as a market for both cotton and pig iron if, as is hoped, the Ottawa Agreement results in increasing quantities of Indian cotton and pig iron being absorbed by the United Kingdom. No fears need be entertained that retaliatory measures will be taken against exports of jute or jute manufactures of which articles India has the monopoly. Export from India to Japan consist chiefly of raw and semi-raw materials while the balance of trade is at present in favour of Japan. In the circumstances my Committee submit that the Convention could be abrogated without serious risk to Indian interest, although, as explained above they would have no objection to it being retained if it is possible to do so while introducing the necessary protective legislation. While my Committee appreciate that there may be difficulties in the way of adopting the protective measures they advocate it is clear from the foregoing that there are ample precedents for such action and they trust therefore that no time will be lost in drafting a Bill on the lines indicated.

FURTHER PROTECTION TO THE INDIAN COTTON TEXTILE INDUSTRY.

Letter No. 1937/162, dated 3rd August 1932.—From the Chamber of Commerce, Bombay, to The Secretary, Tariff Board, Old Custom House, Bombay.

I have the honour to acknowledge receipt of your letter No. 228, dated the 13th June 1932, forwarding copies of a questionnaire in connection with the protection of the Cotton Textile Industry.

My Committee in their representation to the Tariff Board, appointed in 1926 to enquire to the question of protection to the Cotton Textile Industry, prefaced their remarks by pointing out that this was by far the most important industry in Bombay and that the general prosperity of the City must be affected by the prosperity of the mills

and the various other businesses connected directly and indirectly with them. They stated their opinion that if the Millowners could prove to the satisfaction of the Board that they were suffering from unfair competition relief in some form or other must be given to them.

My Committee wish to reiterate the opinion then expressed and at the same time to make clear their view; and one which they think will be generally held, that the criterion as to the extent or form of protection for the industry in the future must be only what is found necessary for efficiently and economically managed mills. The answers given to those portions of the questionnaire with which my Committee feel themselves competent to deal are all based on this view.

Many of the questions are clearly of a technical nature and my Committee have not attempted to answer these. Others they have dealt with in somewhat general terms, and in all cases have endeavoured to put forward views which they consider to be in the best interests of the industry itself, the consumer and the varied interests which the Chamber represents.

Question No. 1.—The first question summarises a number of conclusions reached by Mr. Hardy in his Report on the Import Tariff on cotton piece-goods and on external competition in the cotton piece-goods trade and asks for expressions of opinion as to whether these conclusions still hold good or should be modified.

Answer—This involves consideration of the course of trade in piece-goods, local and imported, since the time when Mr. Hardy reported, and in effect, the result of the imposition of protective duties in April 1930.

The following general statistics show the course of Indian trade during that period :—

A. Total production of mills (all-India) 1929-30, 1930-31, 1931-32.

B. Total Imports of cotton and artificial silk piece-goods into British India.

C. Total Imports of cotton piece-goods into British India from the United Kingdom.

D. Total Imports of cotton piece-goods into British India from Japan.

E. Total Imports of artificial silk goods and cotton and artificial silk mixtures from Japan.

(*See Appendix No.* 1.)

From these figures the following general conclusions are to be drawn:—

(1) Since the imposition of these duties Indian mill production has largely increased, although during this period excess of stocks has caused production to be curtailed in most producing countries.

(2) During this period there has been a steady reduction of imports, both from the United Kingdom and other countries. Japanese imports have also declined, though to a less marked degree.

(3) Imports of Artificial Silk Goods, which the Indian Mills do not now produce, have substantially increased.

(4) Although conclusions are somewhat complicated by a further increase in duty for revenue purposes last year, generally speaking the protective duties imposed in April 1930 have proved fully adequate to protect the industry against British competition, and up to the end of 1931, against Japanese competition.

(5) The increase in Japanese competition since the end of 1931 is evidently due, in the main, to depreciation in the

exchange value of the Yen relative to the rupee. This aspect of the case was recently put forward at a conference with representatives of the Government of India at which the Chamber was represented, and my Committee therefore propose to do no more than draw attention to their letter of the 29th June addressed to the Commerce Department.

(*See Appendix No.* 2.)

Below are reproduced certain of Mr. Hardy's conclusions together with the comments of my Committee. The numbers are those used in the questionnaire and the paragraphs referred to are those of Mr. Hardy's report.

(*vii*) Competition in heavy shirtings from Japan reacts unfavourably on sales of Indian sheetings. (*Paragraph* 14.)

Comment.—This is correct up to a point but as a result of the higher protective duties imposed in 1930 the import of heavy shirtings from Japan has very materially declined.

(*viii*) Indian mills hold their own in the production of grey drills and jeans in which the demand is almost entirely for a heavy class of goods. (*Paragraph* 15.)

Comment.—This still holds good.

(*ix*) There is little, if any, production of the finer classes of grey goods in India. (*Paragraph* 15.)

Comment.—Judging from the figures of the production of yarns the production of goods made from yarns of counts 40s and over is less than 4 per cent. of the total production of all-India. The production of higher counts is, however, increasing owing to the heavy import duty and to that extent the conclusion reached by Mr. Hardy should be modified.

(*x*) The import trade in white goods remains mostly in the hands of Lancashire and consists largely of goods whose fineness is above the limit at which production from Indian cotton is possible. (*Paragraph* 16.)

Comment.—While the import trade in white goods is still largely in the hands of Lancashire, Japanese imports are increasing at the expense of the United Kingdom. (*See Appendix No.* 3).

(*xi*) Printed drills and jeans from Japan and printed shirtings from Japan and Italy compete with Indian woven striped shirtings. Fancy "Prints and Chintz" from the United Kingdom do not compete with any Indian product. (*Paragraph* 17.)

Comment.—Fancy prints and artificial silk fabrics from Japan have largely replaced both printed drills and jeans from both Lancashire and Japan and are seriously competing with Indian woven striped shirtings. It is a fact that fancy "Prints and Chintz" from the United Kingdom do not compete with Indian products.

(*xii*) Competition in dyed goods has not shown any increase since 1927. (*Paragraph* 17.)

Comment.—Not only has competition in dyed goods shown no increase since 1927; but Indian mills have gained ground in this class. (*See Appendix No.* 4).

(*xiii*) In colour-woven goods, the principal competition is from Japanese striped shirtings, twills and coarse drills. (*Paragraph* 17.)

Comment.—This no longer holds good. (*See reply to xi.*)

(*xv*) There is very little direct competition in coloured goods between the United Kingdom and Indian mills. The

only serious external competitor is Japan, though Italy may become a formidable rival. (*Paragraph* 17.)

Comment.—This still holds good.

(*xvii*) Over a range of cloth in which the cost of raw cotton per pound of cloth does not vary appreciably, the severity of competition increases with the price. (*Paragraph* 20.)

Comment.—Agreed.

(*xviii*) The fact that, area for area, fine cloth is often cheaper than coarse cloth causes indirect competition between imported fine cloths and locally-made coarse cloths. (*Paragraph* 22.)

Comment.—This holds good only in so far as the cloths are used for the same purpose, which is not often the case.

(*xix*) A general movement of prices in any particular range of cloth is apt to react on the price of other cloths of an entirely different nature. (*Paragraph* 22.)

Comment.—The tendency is frequently as stated.

(*xx*) Artificial silk yarn is being used to an increasing extent in the weaving of striped cotton goods and the borders of Dhutis. To this extent artificial silk yarn is an ally rather than a competitor of cotton. (*Paragraph* 22.)

Comment.—Artificial silk yarn can only be said to be an ally of cotton to a very small extent, in cases where it is used to ornament cotton cloth. Otherwise it is a competitor of cotton.

As mentioned in reply to a later question the number of mills now using artificial silk is much smaller than it used to be.

(*xxi*) The imports of artificial silk cloth and of mixed cotton and artificial silk fabrics are in competition with real silk goods rather than with cotton goods. (*Paragraph* 22.)

Comment.—No. This is not so. Owing to its cheap price artificial silk cloth is replacing many types of cotton fancies.

I am now to deal with those of the remaining questions on which my Committee have views to express:

Question No. 2.—Please prepare a statement of recent prices, if possible, both (*i*) c.i.f. and (*ii*) wholesale market prices of comparable classes of cloth imported from the United Kingdom and from Japan. It would assist the Board greatly if, besides recent prices, you could furnish also a statement of average prices for each year from 1926.

Answer.—Qualities of British and Japanese piece-goods are not now-a-days generally comparable. A statement of prices of a few qualities is however attached. (*See Appendix No.* 5*)

Question No. 6.—Are there any circumstances which in your opinion render it likely that if the protective duties were withdrawn in 1933 and there was in consequence a substantial decline in Indian production at certain centres, the deficiency would be supplied, if at all, only partially by increased production at other centres in India but mainly by a permanent increase in imports from other countries? If so, please explain what these circumstances are.

Answer—In the lower counts the deficiency would be largely supplied by increased production at other centres in India in the finer goods by a permanent increase in imports from other countries.

Question No. 7.—Please give the following information regarding freights:—

(*i*) the railway freight on raw cotton from the principal centres of cultivation in India:

* Not reproduced.

(*ii*) the railway freight on cotton piece-goods from (*a*) Bombay, (*b*) Ahmedabad, (*c*) Calcutta and (*d*) Karachi to the principal piece-goods markets in Upper India :

(*iii*) the railway freight on cotton piece-goods from (*a*) Bombay and (*b*) Ahmedabad to Calcutta :

(*iv*) the steamer freight on cotton piece-goods from Bombay to (*a*) Calcutta and (*b*) Karachi :

(*v*) the steamer freight on cotton piece-goods from (*a*) Japanese and (*b*) United Kingdom ports to Indian ports.

Answer.—(*See Appendix No.* 6.)

Question No. 9.—Please supply any information which you may possess on the following points regarding the handloom weaving industry :—

(*vi*) extent to which protective duties on cotton (*a*) yarn and (*b*) piece-goods will affect the handloom industry.

(*vii*) effects, if any, on the handloom weaving industry of the existing import duties on artificial silk yarn and piece-goods.

Answer.—My Committee are not in a position to supply detailed information on the points named. In regard to Nos. (*vi*) & (*vii*), however, they are of opinion that the greater the difference between the duty on yarn and piece-goods, the greater the advantage that will be enjoyed by the handloom industry The duties on artificial silk and cotton yarn should not be increased and preferably should be reduced.

Question No. 10.—Please supply any information which you may possess regarding the hand-spinning industry.

Answer.—My Committee have no remarks to make in this connection except that they do not consider that hand-spinning can ever again become an economic method of production.

Question No. 11.—Do you consider that a decline in the output of Indian mills either generally or in particular lines of goods will adversely affect the Indian cultivator of cotton (*a*) by reducing the nett demand for Indian cotton, or (*b*) by discouraging the growth of long staple cotton ?

Answer.—(*a*) A lessening of demand from the mills would militate against the cultivator to a small extent. Exporters and mills both naturally pay the same price for Indian cotton at present but if there were a reduction in demand by the mills prices would tend to decline as exporters will only buy if parity with outside growths is maintained, whereas Indian mills frequently buy Indian cotton at prices above world parity.

In the case of short staple cotton, of which India enjoys a virtual monopoly, any such effects on prices would only be very slight.

(*b*) Not unless the decline in output is very substantial, as India is at present an importer of staple cotton. A reduced production could still absorb the output of those districts particularly suitable for the growth of long staple cottons. As regards other districts, the Chamber has already expressed the opinion that the extension of long staple cottons at the expense of high yielding short stapled types is probably not in the interest of the ryot.

Question No. 12.—To what extent is the raw cotton now imported into India of the same quality as Indian long staple cotton ? Do you consider that the present import duty on raw cotton materially helps the Indian cultivator ?

Answer.—Under the abnormal conditions prevailing during the past year, on account of the severe shortage and comparatively high price of Indian cotton, a large proportion of the cotton imported has been American cotton competing

directly with Indian long staple cotton. The Import Duty on this cotton has directly benefited the Indian cultivator of staple cotton.

In recent years there has been a growing tendency for Indian mills to import a high grade long staple cotton for purposes for which Indian cotton is unsuitable. A duty levied on these growths has little effect on the price obtained by the Indian cultivator.

Question No. 13 (*a*):—Please state the most important classes of Indian mill made cloth—grey, bleached and coloured which come into competition directly or indirectly with imported cloth.

Question No. 14.—Please state the principal classes of imported cloth, giving the correct trade description in each case, which generally enter into competition, directly or indirectly, with each class of Indian cloth mentioned in reply question 13 (*a*).

Answer.—It is more convenient to deal with these two questions together. The principal classes of locally made cloths and imported cloths which compete with each other are :—

No. 13 (*a*).	No. 14.
Dyed Shirtings	Dyed Shirtings
,, Drills	,, Drills
Grey Dhooties	Grey Dhooties
,, Shirtings & Sheetings	,, Shirting (Japanese)
Indian Bleached Goods	Coarse Nainsooks from Japan.
Striped Shirtings	Striped twill shirtings from Japan.
Cotton Fancies	Artificial Silk Fancies and taffetas.

Question No. 25.—Please state the current prices, if possible both (*i*) c.i.f. and (*ii*) wholesale market prices, of the principal classes of imported yarn which compete with Indian. Please state the prices realised by you for corresponding kinds of yarn spun in Indian mills.

Answer.—(*See Appendix No.* 7).

Question No. 31.—Do you consider that sufficient facilities are available for borrowing working capital ? What is the rate of interest generally payable ?

Answer.—Yes, in the case of well managed concerns. In regard to the second part of this question my Committee desire to repeat the opinion expressed by the Chamber to the Indian Central Banking Enquiry Committee, *viz.*,

"Rates of interest vary with the nature of the security, according to good or bad parties, and also in relation to the seasonal rise and fall of the Imperial Bank of India rate.

"First class borrowers can obtain loans at the Imperial Bank rate or at 1 per cent. over it."

Question No. 38.—Have there been any developments in respect of bounties and subsidies, exchange, depreciation or other circumstances subsequent to 1926 which call for a reconsideration of the conclusions stated in paragraph 35 of the Report of the Indian Tariff Board, 1927, regarding unfair competition on the part of countries competing with India ?

Answer—Yes Depreciation of the yen relative to the rupee.

Question No. 39.—If you consider that protection should be continued, please state (*i*) in what form, (*ii*) at what rates, (*iii*) for what period and (*iv*) against imported goods of what classes and countries of origin, protection should be granted in future ?

Answer—The answer given to this question refers to goods other than goods made wholly or mainly of artificial silk.

It is considered that protection to the Indian Mill Industry should be continued, but this should only be on a basis which will adequately protect efficiently and economically managed mills. My Committee consider that any rate of duty higher than is necessary to enable such mills to market at a fair price the goods which they are best equipped, as regards plant, raw materials, labour and climate, to produce is against the best interests of the industry itself and the country generally.

(*i*) Where specific duties already exist they should be continued in that form and may be extended where found feasible. In other cases *ad valorem* duties are recommended owing to the reasons given in Mr. Hardy's report and in order to avoid any increased cost of administration;

(*ii*) The rates of duty imposed in 1930 were: 15 per cent *ad valorem* on goods of British manufacture; 20 per cent *ad valorem* on goods not of British manufacture. My Committee are of opinion that these rates are adequate to secure the purposes mentioned above and should only be continued if the Millowners are able to show to the satisfaction of the Board that their retention is necessary.

(*iii*) Five years;

(*iv*) Protective duties should not apply to goods which do not compete with or replace goods produced by the local mills.

Question No. 40.—If you think that protection should be granted in the form of specific duties, please state, in view of the difficulties pointed out by Mr. Hardy in Chapter VI of his report as regards the administration of specific duties on cotton piece-goods, what you consider to be the most suitable basis for such duties?

Answer—Protection should be continued in the form granted in 1930; see answer to Question 39 (*i*) above.

Question No. 41.—The present tariff on cotton twist and yarn has been fixed with reference to the advantage possessed in the first instance by Japan and subsequently by China in respect of inferior labour conditions. Do you propose any change in the present basis of the duty on yarn? Please explain fully the grounds on which your proposal is based.

Answer.—The present duty on yarn of 50s and over should be reduced to one anna per lb. or 5 per cent. *ad valorem* whichever is the greater. This proposal is made on the following grounds:

(*i*) the incidence of taxation is much higher than was originally intended;

(*ii*) the figures earlier referred to show that the production in India of yarns over 40s is less than 4 per cent. of the total production. The present rate of duty on such yarns is opposed to the interests of the hand-loom industry, which, my Committee understand, is the largest consumer of imported yarns of the finer counts.

Question No. 42.—Do you consider that the present tariff definition of "plain grey" piecegoods requires modification? If so, in what respects?

Answer.—The tariff definition of "plain greys" may be left as it stands with the addition of the words "and coloured goods not bleached or dyed in the piece."

Question No. 43.—If you consider that protection is required against imported piece-goods made wholly or partly of artificial silk, please state (*i*) what duties you propose, (*ii*) the grounds on which your proposal is based and (*iii*) whether you consider the present tariff definition and grouping of artificial silk goods satisfactory (See Art. 100 A, 45A and 133 of the Statutory Tariff Schedule).

Answer.—(*i*) and (*ii*). It appears anomalous that the Indian mills should ask for protection against imports of artificial silk goods which they not only do not produce but which many of them, my Committee believe, have decided not to produce.

At the same time there is no doubt that, owing to the very cheap prices at which they are sold, these goods compete with several classes of cotton goods produced by Indian mills and in view of the continued decreases in price it is recommended that a specific duty, which appears to be particularly suitable in this case, should be imposed at a flat rate of 4 annas per square yard irrespective of quality. This rate should apply to all artificial silk goods and mixtures of cotton and artificial silk containing more than 15 per cent. of the latter. Goods containing less than 15 per cent. artificial silk to be classed as cotton.

My Committee, however, qualify this recommendation by saying that in their opinion a condition precedent to any increase in the duty on artificial silk goods or, even the retention of the existing rate of duty, should be the immediate removal by Indian mills of any restrictions, which may at present exist, on the manufacture of such goods. There is a definite demand for these goods owing to their relative cheapness and attractive appearance and it seems only right that if a high protective duty is placed on the imported article Indian mills should do their best to supply the demand, as, it is believed, some of them were doing up to a year or two ago.

(*iii*) No, silk and artificial silk goods have now little relation to one another. Artificial silk goods used for medical purposes may still be assessed separately.

Question No. 44.—If a case for protection is established, how far is it possible in your opinion to adopt a system of preferential duties on cotton goods imported from the United Kingdom consistently with the interests of (*i*) the Indian Cotton Textile Industry, (*ii*) the Indian consumer of cotton goods and (*iii*) the general taxpayer in India.

Answer—If protection for the Indian mill industry is to be continued, it is not only possible but necessary in the interests of the consumer to continue or increase the preferential treatment at present given to imports from the United Kingdom. These imports now consist almost entirely of very fine and very wide cloths; of good printed cloths; and other specialities none of which are produced to any appreciable extent in this country. They are, however, required by various classes of consumer, who have been accustomed to use goods of these descriptions, and in penalising goods imported from other countries which compete with local products it is unfair to penalise unduly goods which do not so compete and of which consumers have no other source of supply. None of these goods can be produced economically in India, and though by raising tariffs to an excessive height it would be possible to create artificial conditions in India enabling their production to be undertaken, the benefits accruing to Indian mills by this means would be enormously outweighed by the injury to the consumer and loss of revenue to the Government.

In increasing import duties, there must be a point at which the advantages gained by local producers are outweighed by the disadvantages suffered by the consumer and taxpayer, and my Committee submit that in the case of goods now being imported from the United Kingdom this point has already been passed.

APPENDIX No. 1.

"A" Total Production of Mills (All India).

	1929-30.	1930-31.	1931-32.
Yards	2,418,981,049	2,561,133,035	2,989,891,101

"B" Total Imports of Cotton and Artificial Silk Piecegoods into British India.

Cotton Piecegoods.			
Yards	1,919,346,512	890,029,026	775,613,894
Artificial Silk.			
Yards	56,599,974	51,494,545	84,639,261

"C" Total Imports of Cotton Piecegoods into British India from the United Kingdom.

Cotton Piecegoods.			
Yards	1,247,539,321	523,445,664	383,500,817

"D" Total Imports of Cotton Piecegoods into British India from Japan.

Cotton Piecegoods.			
Yards	561,965,625	320,775,991	339,704,396

"E" Total Imports of Artificial Silk Goods and Cotton and Artificial Silk Mixtures from Japan and United Kingdom.

Japan.			
Yards	25,038,036	38,207,243	74,548,909
United Kingdom.			
Yards	7,226,794	2,406,605	1,646,192

APPENDIX No. 2.

Letter No. 1630/162 dated 29th June 1932, from The Secretary, Bombay Chamber of Commerce, to The Secretary to the Government of India, Department of Commerce, Simla.

I have the honour to confirm despatch to-day of the underquoted telegram :—

" Bombay Chamber has been favoured with copy of telegram dated twenty-eighth from Bombay Millowners' Association inviting

Government's urgent attention to serious menace to textile industry owing depreciation Japanese Yen. In supporting this representation in general terms this Chamber strongly urges question be referred for immediate consideration and report to Tariff Board who should be asked to confine their attention for present solely to this most important aspect of question."

2. My Committee trust that the Government of India will see their way to take action on the lines suggested and will urge on the Tariff Board the necessity for reporting at the earliest possible moment. My Committee also trust that on receipt of the Tariff Board's report the Government will take such emergency measures as may appear to be indicated.

3. My Committee suggest further that the report of the Tariff Board might form the basis of an immediate enquiry into the general effect on Indian industries of depreciated currencies, with special reference to the marked decline in the yen.

4. I am to add that, in the opinion of my Committee, this matter is one of the greatest urgency.

APPENDIX No. 3.

White Bleached.

——	1929-30.	1930-31.	1931-32.	Two months 1st April to 31st May.		
				1930.	1931.	1932.
United Kingdom.						
Yards ..	435,947,709	229,959,908	207,045,989	77, 50,452	35,898,628	45,049,915
Japan.						
Yards ..	13,880,453	28,105,352	59,820,081	4,570,951	8,646,653	14,214,559

APPENDIX No. 4.

Imports of Coloured—Dyed Goods.

	29/30.	30/31.	31/32.
Total Coloured, printed or dyed.			
Yards	463,345,377	245,772,459	223,243,268
Total of Coloured Woven Goods.			
Yards	132,534,139	46,160,866	25,362,713

APPENDIX No. 6.

(1) Railway freight on raw cotton from the principal centres of cultivation in India: Basis India Cotton (per candy of 784 lbs.)

TO BOMBAY.

From	Rs.	a.	p.	From	Rs.	a.	p.
Ahmedabad	10	10	0	Jubbulpore	21	5	0
Akola	18	11	0	Kadi	11	8	0
Aligarh	25	8	0	Kalol	11	2	0
Aurangabad	11	11	0	Kishengarh	18	7	0
Baroda	8	11	0	Kolhapur	10	8	0
Broach	7	4	0	Mahuva	13	15	0
Barsi Town	13	7	0	Nowsari	5	8	0
Badnera	20	8	0	Nagpore	16	11	0
Beawar	16	12	0	Nadiad	9	11	0
Billimora	5	2	0	Nanded	17	14	0
Burhanpur	16	0	0	Pulgaon	19	12	0
Calcutta	10	15	0	Petlad	9	13	0
Chalisgaon	10	10	0	Padra Road	9	7	0
Cambay	10	7	0	Poona	6	5	0
Dhulia	12	7	0	Rajkot	11	6	0
Ellichpur	22	12	0	Sholapur	14	10	0
Gulburga	18	3	0	Secunderabad ..	24	10	0
Gokak Road	9	8	0	Surat	6	1	0
Gwalior	24	8	0	Sidhpur	12	10	0
Hinghanghat	19	9	0	Ujjain	15	7	0
Indore	13	12	0	Viramgaum	11	14	0
Jalgaon	13	9	0	Wadhwan	8	5	0

From	To Bombay.	To Calcutta.	To Karachi.
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Agra	24 8 0	24 13 0	24 13 0
Amritsar	28 8 0	32 6 0	25 2 0
Benares	21 14 0	13 14 0	29 5 0
Cawnpore	21 11 0	20 4 0	23 0 0
Delhi	24 13 0	25 1 0	24 13 0
Hathras	24 13 0	25 2 0	25 2 0
Lucknow	23 3 0	19 12 0	24 13 0
Moradabad	27 11 0	26 2 0	28 0 0
Ujhani	26 2 0	25 11 0	26 2 0

From	To Bombay.	To Madras.	To Marmugao.	To Tuticorin.	To Calicut.	To Cochin.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Bangalore	19 8 0	7 13 0	16 0 0	..	..	..
Mysore	20 10 0	10 10 0	16 0 0	..	..	..
Hubli	11 9 0	..	6 13 0	..	..	..
Koilpati	..	12 4 0	..	2 1 0	..	..
Madura	..	10 8 0	..	3 11 0	..	..
Coimbatore .. .	..	..	..	..	4 4 0	5 4 0
Trichur	..	..	..	..	3 1 0	2 13 0
Kallayi (Malabar) ..	..	..	..	..	1 1 0	4 15 0

N.B.—For Egyptian Cotton increase the above rates by Re. 0-2-0 per candy.
For American Cotton increase the above rates by 4 per cent.

	Rs. a. p.
Example: Bombay Ahmedabad ..	10 10 0
Plus 4 per cent.	0 7 0
For American Cotton	11 1 0

(ii) & (iii) Railway freight on Cotton Piecegoods.

Goods train owner's risk.

	Rs. a. p.	
From Bombay to Calcutta	1 10 0	per maund.
„ „ to Cawnpore	2 4 2	„ „
„ „ to Delhi	2 10 0	„ „
„ „ to Amritsar	2 14 10	„ „
„ Ahmedabad to Amritsar ..	2 9 2	„ „
„ „ to Cawnpore ..	1 14 0	„ „
„ „ to Delhi	1 13 2	„ „
„ „ to Calcutta	2 4 0	„ „
„ Karachi to Amritsar	2 9 3	„ „
„ „ to Delhi	2 9 3	„ „
„ „ to Lahore	2 7 6	„ „

(iv) & (v) Steamer freight on Cotton Piecegoods.

From Bombay.

	Rs.	
Calcutta	.. 7–8	per ton of 40 cubic feet less 10 per cent.
Karachi	.. 0–7	per maund of 82 2/7 lbs. less 15 per cent.
Madras	.. 10–0	per ton of 40 cubic feet less 10 per cent.

From U. K.

	Glasgow.		*Manchester.*	
	s.	d.		
Bombay	.. *40	6	42/6	per ton of 40 cubic feet.
Calcutta	.. *46	0	*48/6	,, ,, ,,
Karachi	.. *40	6	42/6	,, ,, ,,
Madras	.. *47	0	*52/0	,, ,, ,,

From Japan.

Bombay	.. 13.50	yen per ton of 40 cubic feet.
Calcutta	.. 13.50	,, ,, ,, ,,
Karachi	..*15.00	,, ,, ,, ,,
Madras	.. 25.00	,, ,, ,, ,,

* Approximate.

Appendix No. 7.

Question 25.

Count.	Country of Origin.	Price. C. I. F. per bale of 400 lbs.	Price. Wholesale market rate per lb.
		Rs. a. p.	Rs. a. p.
32's single	China and Japan ..	180 0 0	No stock
40's single	,, ..	200 0 0	0 10 9
2/42's	,, ..	215 0 0	0 12 0

APPENDIX 'A'.

Table of Comparative Freight.

No. 1.

		From Manchester	From Glasgow.	From Japan.
		Annas per lb.	Annas per lb.	Annas per lb.
	Packed in			
Greys	Bales.	.272	..	.126
White Mulls	,,	.283	..	..
White Shirtings ..	,,	.214	..	..
Chocolate Jeans ..	,,	..	.389	..
	Packed in			
White Mulls	Cases.	.384	..	..
White Shirtings ..	,,	.246	..	..
Printed Sarries ..	,,	.370	..	..
Para Red and C Col. Splits	,,	..	.570	..
Turkey 2 Red and 3 Col. Gagras.. ..	,,	..	.699	..
Turkey 2 Red and 2 Col. Sarries ..	,,	..	.398	..
Glazed Jean Gagras ..	,,	.373	..	..

No. 2.

		Approximate 40 c.ft.
White Mulls	38″×20 yards	791.7 lbs.
,,	52″×20 yards	1017.6 lbs.
,,	44″×20 yards	1238.0 lbs.
,,	48″×20 yards	1221.0 lbs.
White Shirtings	35″/6″×40 yards	1022.0 lbs.
,, Liepmann's	1500—32/33″	1080.0 lbs.
Khaki Cotton Drill in bales	27/28″	2945.0 lbs.
White Bordered Nainsooks	32″×4/22 yards	1197.0 lbs.
Sarries—split	27″	1068.0 lbs.
Para Red Shirtings	16″ split	992.5 lbs.
White Satin Drills	27/28″	1124.0 lbs.

No. 3.

Sample.	Dimensions of packages.	Contents.	Gross Weight.	Nett Weight.	
A.	2′/11″ × 2′/2″ × 2′/2″ ..	50 pcs. 42 yards ..	530 lbs.	456 lbs.	Cases.
B.	3′/2″ × 1′/2″ × 2′/6″ ..	50 pcs. 40 yards ..	422 lbs.	366 lbs.	,,
C.	2′/2″ × 1′/8″ × 2′/3″ ..	150 pcs. 20 yards ..	216 lbs.	168 lbs.	,,
D.	2′/7″ × 1′/8″ × 2′/2″ ..	75 pcs. 40 yards ..	388 lbs.	289 lbs.	,,
E.	2′/5″ × 1′/3″ × 1′/11″..	25 pcs. 42 yards ..	359 lbs.	338 lbs.	Bales.
F.	2′/5″ × 1′/8″ × 2′/4″ ..	25 pcs. 42 yards ..	399 lbs.	380 lbs.	,,
G.	2′/9″ × 1′/5″ × 2′/1″ ..	17 pcs. 99 yards ..	289 lbs.	272 lbs.	,,

Samples of the qualities mentioned in this table are being forwarded under separate cover.

THE NEW CONSTITUTION.

FEDERAL FINANCE.

Letter No. 1686/52 dated 7th July 1932, from The Secretary, Bombay Chamber of Commerce, to The Secretary to the Government of India, Finance Department, Simla.

REPORT OF THE FEDERAL FINANCE COMMITTEE.

I am directed to forward herewith for your information a copy of a cablegram which has been despatched to the Secretary of State for India. As announced in the statement made by the Secretary of State in the House of Commons on the 27th June 1932 and issued simultaneously by H. E. The Viceroy, His Majesty's Government propose to give effect to their policy for Indian constitutional reform by means of a single bill which will provide alike for autonomous constitutions in the provinces and for the federation of Provinces and States. In framing the Bill His Majesty's Government will doubtless be guided *inter alia* by the recently published report of the Federal Finance Committee, and as it is their declared intention to proceed with the utmost

possible despatch my Committee thought it advisable to lay their views on the report before the Secretary of State without delay. I am now to amplify to some extent the necessarily brief telegraphic summary of these views and to add certain other observations in connection with the report which it seems desirable to make at this stage.

2. The Federal Finance Committee have prepared forecasts of the financial position of the Federal Government and the provinces of British India in the early years of the Federation. These forecasts are based on the assumption that there will be a return to more or less normal conditions by the year 1935-36. This appears to my Committee an optimistic assumption, and although it was no doubt difficult for the Federal Finance Committee to proceed on any other basis, they should, in my Committee's opinion, have been prepared for a partial realisation only of their hopes and consequently should have framed their estimates of future revenue and expenditure on the most conservative lines possible. It is my Committee's belief that they have not been sufficiently cautious in their estimates for the Bombay Presidency. While my Committee have no actual figures to put forward in substantiation of this view they are of the opinion that taking into consideration the prolonged trade depression and the cumulative effects of the civil disobedience movement, the figure of Rs. 65 lakhs shown as Bombay's deficit (paragraph 11) is distinctly on the low side. Before any decision is reached on the basis of this figure my Committee strongly recommend that it should be carefully checked in consultation with the Government of Bombay and, if necessary, revised.

3. The Federal Finance Committee recognise that the provincial deficits are for the most part accounted for by

the comparative inelasticity of provincial sources of revenue (paragraph 12). They follow the Peel Committee in recommending that income-tax should be transferred to the provinces and any resultant deficit should be met from provincial contributions (paragraph 13). When they come to discuss the basis of the contributions they state that they have been driven, like the Meston Committee before them, to assess the contributions primarily with reference to the additional resources of the provincial Governments, in other words in proportion to their shares of income-tax. It appears to my Committee that the Federal Finance Committee would have been better advised to adhere more closely to the principles laid down in paragraph 16 of the Peel Committee's report rather than to return to the methods employed in arriving at the Meston Settlement which was admittedly a failure and a source of legitimate grievance, at any rate, so far as this Presidency was concerned. Following the lines of the Peel Committee's report my Committee recommend that provincial contributions, so long as they are necessary, should be based half on population and half on *total* revenues. This appears to them a basis which pays due regard both to the protection received by the population and the capacity of individual provinces to pay.

4. The provincial contributions have given rise in the past to a sense of injustice between provinces and this feeling is not likely to be diminished under the proposals put forward by the Federal Finance Committee. Their report estimates that there will be a federal deficit of 8½ crores which will have to be made good by contributions from the provinces out of their shares of income-tax. If this were done and the 8½ crores of federal deficit were distributed *pro rata* amongst the provinces, Bombay (excluding Sind)

would show a surplus of 54 lakhs (Table IV A) instead of a deficit of Rs. 65 lakhs, but three provinces, Bengal, Bihar and Orissa and Assam would still show deficits. The report goes on to suggest, although with some misgivings, that these three provinces should be relieved by spreading the charge of their deficits over the remaining provinces which are in credit (paragraph 84). This would result in Bombay's surplus being reduced to 9 lakhs (Table IV B). My Committee must protest in the strongest possible terms against the suggestion that some provinces, in order to meet the deficit of others, should from the start be deprived of a substantial portion of the additional revenues allotted to them. The Government of Bombay has gone to great lengths in retrenchment in an attempt to balance the provincial budget and has appointed a Re-organisation Committee to consider what steps can be taken to effect economies of a permanent nature. The sacrifices demanded under the proposals of the Federal Finance Committee could only be justified if evidence were forthcoming that other provinces have retrenched and re-organised to a like extent.

5. My Committee have sufficiently stressed in their telegram the importance of provinces being allowed to retain a substantial proportion of their expanding revenues and this point hardly requires elaboration. While reluctantly agreeing that some provincial contributions will at first be necessary my Committee urge that these should be reduced to a minimum from the outset in order to mitigate as far as possible the difficulties and dissensions which will inevitably arise. They therefore suggest that the tax on undistributed profits of companies and on incomes of non-residents, instead of being allocated to the provinces on a population basis, should be credited to federal revenues

and that succession duties should be introduced throughout British India at the earliest possible date and also credited to the Federation instead of to the Provinces. The reasons which lead my Committee to recommend that succession duties should be a source of federal rather than provincial revenue are—

(1) that it would be difficult to ascertain the correct apportionment of succession duties as between province and province, and

(2) that there is a good case for regarding the duties as a contribution for the protection afforded to property by the Federation.

My Committee consider it necessary that legislation for imposing succession duties should be undertaken by the Central Legislature before the introduction of the new constitution.

6. The proposed excise duty on matches has the hearty support of my Committee who venture to express the hope that an endeavour will be made, as suggested in paragraph 9, to secure the co-operation of the States in imposing the duty throughout India before the establishment of federation My Committee also trust that the possibility of introducing excise duty on the manufacture of tobacco will be seriously examined.

7. There are a number of matters arising out of the report, notably questions of taxation, on which the Chamber has expressed strong views in the past. My Committee recognise that the establishment of an all-India Federation involve far-reaching changes, economic as well as constitutional, and they have no wish to be dogmatic on opinions

which require modification in the light of altered conditions. A re-statement of the Chamber's point of view on such questions is therefore called for. These and other points arising out of the report and not included in the cablegram are dealt with in the paragraphs that follow.

8. In the light of the considerations set forth in paragraphs 28, 29 and 30 my Committee agree that stamp duties should be classed as provincial sources of revenue, but they think that provision should be made in the constitution for the standardisation of rates throughout India, and that for that purpose the power to legislate in regard to stamp duties should be retained by the Federal Government. The Chamber has opposed proposals which have been made in recent years to abolish the use of separate revenue stamps. On the assumption that the Posts and Telegraphs Department will be placed on a paying basis, my Committee are prepared to reconsider their attitude in this matter and to put up with the inconvenience of separate revenue stamps, if it can be shewn that the difficulties (referred to in paragraph 31) in estimating the share of each province in the proceeds from the sale of postage stamps for use on taxed documents cannot be overcome by any other method and are likely to lead to serious friction with the provincial Governments.

9. The Chamber's views on the super-tax on companies or corporation tax (paragraph 33) are sufficiently well known not to require repetition here. My Committee regard this as an objectionable form of taxation but they feel that in the present state of Government finances it would be futile to press for its removal. They agree that the Corporation tax must be assigned to federal revenues.

10. My Committee agree with the opinion expressed in paragraph 37 that terminal taxes should not be regarded

as a normal source of revenue. The Chamber's objections to terminal taxes are well-known and have the support of orthodox economic opinion. The Taxation Enquiry Committee reported that these taxes in the form in which they are levied in India offend against all the cannons of taxation. They considered it a function inherent in the Imperial Government to protect inter-provincial traffic from obstruction by taxes imposed by subordinate authorities and regretted that the Government of India had to so large an extent abandoned their control of a matter that was of paramount importance to the trade of the country. The Associated Chambers of Commerce of India and Ceylon in giving evidence before the Simon Commission suggested the insertion of a clause in the constitution restricting the right to levy terminal taxes. There is much to be said for this view and my Committee urge that an endeavour should now be made to prevent the extension of terminal taxes to areas where they do not already exist and to eliminate those already in force as soon as circumstances permit.

11. My Committee are in favour of the taxation of agricultural incomes in excess of Rs. 5,000 per annum and agree that the right to impose such taxation should rest with the provinces. They are inclined to think, however, that the necessary legislation will have to await the establishment of provincial autonomy.

12. It is noted that a sum, apparently estimated at two crores, will be required for the purposes stated in paragraph 59 and that this amount is to be added to the Federal deficit to be covered by provincial contributions (paragraph 88). My Committee are unable to appreciate why the whole cost of introducing reforms at the Centre should be

borne by the Provinces who will also have to bear additional expenditure of their own in this connection. My Committee heartily endorse the hope that the cost of introducing the reforms both at the Centre and in the provinces will be kept as low as possible; they agree that in this matter it behoves the Federal Government to set an example to Provincial Governments.

13. My Committee agree that income-tax should be a Federal subject imposed and collected by the Federal Government for the benefit of the units, and that the distribution to units should be on the basis of the income-tax actually paid by residents in each province (paragraph 69).

14. In paragraph 70 the report recommends that the system of statistics in use in the Income-tax Department should be modified before the inauguration of the Federation in such a way as to facilitate the ascertainment of the personal income-tax creditable to each province. As a means of checking the evasion of income-tax the Chamber has suggested that it should be made compulsory for the assessee on his own initiative to file a return of income. If legislation giving effect to that suggestion can be introduced before the inauguration of the Federation it seems probable that the task of ascertaining personal income-tax will be simplified.

15. In paragraph 75 methods of distributing income-tax are discussed. My Committee consider it very desirable, if possible, to evolve a scheme under which the proceeds of tax can be distributed each year on the ascertained figures of the preceding year.

16. My Committee are opposed to the suggestion contained in paragraph 107 that the Federal Legislature should

have power to authorise the provinces to impose a surcharge on the standard rates of income-tax.

17. My Committee are in substantial agreement with the remaining proposals of the Federal Finance Committee.

18. A copy of this despatch is being sent to the Secretary of State and also to the Government of Bombay, Finance Department.

EMPLOYMENT OF TWO COUNSEL BY LITIGANTS.

Letter No. 1112 dated 14th December 1932, from Prothonotary and Senior Master, H. M.'s High Court, Bombay, to the Secretary, Chamber of Commerce, Bombay.

I am directed by the Honourable the Chief Justice and Judges to state that there is an impression widely prevalent in the minds of the public that the employment of two counsel is obligatory in all cases filed in the Bombay High Court. It is very desirable that this wrong impression should be removed as this High Court does not insist on the compulsory engagement of two counsel in *all* cases, or indeed in any case, though in heavy cases two counsel may be desirable.

In this connection I am to forward herewith for your guidance a copy of my letter No. 987 dated the 4th November 1932 addressed to the Secretary to the Government of Bombay, Legal Department, setting out the correct practice in this regard and to request that you will be so good as to circularise the same amongst the members of your Chamber so that they may know that there is nothing in the High Court Rules which requires a litigant to employ two Counsel.

Letter No. 987 dated 4th November 1932, from the Prothonotary and Senior Master, H. M.'s High Court, Bombay, to the Secretary to the Government of Bombay, Legal Department.

With reference to your letter No. 434-P dated the 18th October 1932 addressed to the Registrar, High Court, Appellate Side, Bombay, forwarding a copy of a Resolution moved by Rao Bahadur Bole in the last Session of the Legislative Council and requesting to inform Government whether it is obligatory by reason of a rule or of longstanding custom or practice for those who appear as litigants in the High Court to employ two Counsel on each side in every case, I am directed by the Honourable the Chief Justice and Judges to state that their Lordships assume that the Resolution of Rao Bahadur Bole refers to the practice of engaging two counsel on the Original Side and that the impression among the members that the engagement of two Counsel is obligatory on each side in every case is altogether erroneous. Under Rule 533 (*ii*) (*h*) at page 117 of the Rules and Forms of the Bombay High Court, Original Side, 1930, engagement of two Counsel was, up to 7th September 1932, allowed on taxation between party and party only in those suits which were heard and disposed of as Long Causes the subject-matter of which exceeded Rs. 5,000. That rule has since been amended by increasing the amount of the subject matter of such suits from Rs. 5,001 to Rs. 10,001. There has never been a rule of the High Court that two counsel *must* be employed in every case, but the Bombay Bar Association has a rule under which no member of the Bar is to accept a single brief in any matter in which two Counsel are allowed on taxation. While in all other Long Causes where the sum claimed is below Rs. 10,001, in all Short Causes irrespective

of the amount of claim, and in some suits and matters, a detailed description of which is set out in the said Rule 533, the costs of one Counsel only are allowed on taxation between party and party. A copy of Rule 533 is hereto annexed for ready reference. I am to add that no custom or practice exists of allowing the engagement of two Counsel in every case as stated in your letter under reply.

As regards the practice obtaining on the Appellate Side I am to refer you to Rule 98 of the Appellate Side Rules, 1929, which allows the parties fees of two Advocates in certain cases only.

Rule 533 *of the Rules and Forms of the Bombay High Court, Original Side,* 1930.

533. (*i*) In long causes where there are several parties but all are not real contestants the Chamber Judge on a summons taken out by any party after pleadings are closed may direct which parties may instruct two counsel for the purpose of party and party taxation. No party in whose favour such directions have not been given shall be allowed the costs of the second counsel between party and party unless the Judge at the trial shall so direct.

Costs of Counsel in different cases between party and party.

(*ii*) The costs of one counsel only shall be allowed on taxation between party and party in the following cases:—

(*a*) Short causes and appeals from the decision of a Judge in any matter where only one counsel is allowed, unless the Appellate Court certify that a second counsel was necessary.

(*b*) Long causes set down as undefended.

(*c*) Long causes, in which the opposite party does not enter an appearance and in which an *ex-parte* decree is obtained.

(*d*) Appearances for any formal party to a suit, *e.g.*, a trustee or stakeholder who only appears to submit to the order of the Court and to ask for his costs.

(*e*) Matrimonial suits.

(*f*) Hearings on further directions and costs when there is no contest.

(*g*) On hearing to vary the Commissioner's report, unless the Court certify that two counsel ought to be allowed on account of the special difficulty or importance of any particular case.

(*h*) In any long cause where the sum claimed is below Rs. 5,001* or where the claim in dispute is in respect of or relates to immoveable or moveable property of a lower value than Rs. 5,001,* unless the Judge at the trial or the Sitting Judge in Chambers before the trial sanctions on special grounds the employment of more than one counsel by the party whose costs are under taxation as aforesaid.

(*i*) In suits transferred from the Presidency Court of Small Causes for trial in the High Court under the provisions of Act I of 1895.

SLIP No. 46.

The Honourable the Chief Justice and Judges are pleased to direct that the following amendments and additions be

made in the Rules and Forms of the Bombay High Court, Original Side, 1930":—

Substitute the figure " 10,001 " for the figure " 5,001 " in lines 2 and 4 of Rule 533 (*ii*) (*h*) at page 117.

(Vide *Bombay Government Gazette*, dated 8th September 1932, pages 2044 and 2045).

Letter No. 3050/345, dated 22nd December 1932, from the Secretary of the Chamber to Messrs. Craigie, Blunt and Caroe.

I am desired to forward herewith a letter and its accompaniments received from the Prothonotary and Senior Master, His Majesty's High Court, Bombay, and to ask you kindly to favour my Committee with any comments that you may desire to make thereon. Will you kindly return the accompaniments with your reply?

Letter dated 28th December 1932 from Messrs. Craigie, Blunt and Caroe to the Secretary, Bombay Chamber of Commerce.

We beg to acknowledge the receipt of your letter No. 3050/345 of the 22nd instant with its enclosures, which we beg to return.

There is no doubt that the High Court Rules make no provision for the compulsory appearance of two Counsel at the hearing of any suit filed on the Original Side or in Appeal.

The practice has however grown up of allowing between party and party the cost of briefing two Counsel or in other

words of allowing the successful party to recover from the unsuccessful party the cost of briefing two Counsel except in the matters referred to in Rule 533 other than sub-rule (*h*). Some years ago the costs of two Counsel were allowed in every suit filed on the Original Side. This was then altered and the costs of briefing one Counsel only were allowed in suits under Rs. 5,001 ; this limit has now been extended to suits under Rs. 10,001. Special leave to engage two Counsel has to be obtained before the hearing before the cost of two Counsel will be allowed between party and party in suits under that amount.

The amount of the fee allowed on taxation between party and party to either one or two Counsel is in the discretion of the Taxing Master.

The practice of briefing two Counsel in all suits filed on the Original Side, other than those mentioned in sub-paragraphs (*a*), (*b*), (*c*), (*d*), (*e*), (*f*), and (*i*) of Rule 533 was due to a Rule made by the Bar that two Counsel were to be briefed irrespective of the amount involved. This rule has however been amended in suits under Rs. 10,001, but a member of the Bar will still require another Counsel to be briefed with him in suits in which more than Rs. 10,000 are at stake.

The practice in England is that where a Junior is briefed he can appear alone, but a leader, that is to say, Counsel who has taken silk, must always have a Junior briefed with him unless such Leader was engaged in the case before he took silk, in which case we believe he is entitled to appear alone. It is an unwritten law of the English bar that the Junior must attend whether his leader is present or not,

but the leader can be present or not according to his arrangements, subject of course to any undertaking he may have given to be present in recognition of a special fee.

The practice here is different. There is little doubt that only very seldom do both Counsel appear at the hearing, although two Counsel have been briefed. One Counsel only appears, the other attends to another case in another Court. This may be considered unfair, as no doubt the client thus pays a fee for which he receives very little value. It is however a practical impossibility for a Counsel of any standing who holds a brief alone to be available invariably when a case is called on. He may be almost certain, when accepting a brief in Court *A*, that he will not be required in Court *B* for 2 days, but cases are settled and/or witnesses do not attend, the board collapses, and the case is unexpectedly called on and Counsel, through no fault of his own, is unable to attend. This is the principal reason why two Counsel are briefed, and why Counsel within limits arrange the night before who will take the case. If the Senior cannot attend, the Junior is bound to do so, and if he cannot undertake to do so, he must return his brief, but contrary to the English rule if the Senior attends the Junior need not do so.

Though we talk of a Senior and Junior, Counsel in fact hold the same rank here, the only distinction being seniority of call and that is the reason why the Junior here is paid 2 Gold Mohurs less than the Senior on his brief, whereas in England the proportion is two-thirds of the Senior's fee.

On the whole, unless the case is one of difficulty, it is usually possible to find a Counsel competent to take it who will appear alone. This results in a considerable saving to clients because not only is the second Counsel's fee saved,

but also all the copying involved in furnishing the second Counsel with a brief. Unless therefore the client desires it we invariably, where one Counsel can be briefed, brief one Counsel only, but clients frequently instruct us to brief two Counsel.

Where one Counsel is briefed our experience is that he frequently asks for a higher fee to ensure his attendance, so that as between the client and Counsel the saving is comparatively small, the Solicitors' costs only being reduced in a greater proportion. The difficulty which arises in briefing one Counsel here is that the Bar is very small. There are two or three Counsel in the first rank who monopolise all the important cases. There are perhaps ten who follow in the next rank, and then a number of others who take up odd work here or there, but to whom it might be somewhat dangerous to entrust any case of difficulty. If there were a greater number of experienced Counsel at the Bar it would be easier to find a competent Counsel who would attend to a case on his own.

The matter is however one entirely for the client. If the client desires to brief two Counsel when on taxation he will only recover the costs of briefing one, he must sign an authority addressed to his Solicitors stating that it has been explained to him that should he be awarded costs he will have to bear the costs of one Counsel in any event, and if under such circumstances he desires to brief two, he can have no cause for complaint either against the High Court Rules or his Solicitors.

We may suggest to a client that it is advisable in a particular case, where one Counsel only will be allowed on taxation to brief two Counsel, but we would not attempt to persuade him to do so, if he were disinclined to do so.

In England in suits filed on what is equivalent to the Original Side here, the costs of briefing a leader and a Junior are always allowed, though there is no Rule of the Supreme Court or the Bar to compel the briefing of two Counsel.

Often when clients hear that the other side is briefing a Senior Counsel, they think that they may be prejudiced if they do not do so also. The matter is entirely in the hands of the client. But as with an operation before him an invalid will go to the expense of engaging a specialist to perform it, so when his suit reaches hearing a litigant thinks it safer to brief two Counsel, or one at a fee equal to the total of the fees he would pay to two, hoping to get the Senior of them.

In the first case the Taxing Master if the litigant were successful would tax off a good deal of the fee paid to that Counsel, in the second case one fee. The difference to the client is almost nothing.

But it is difficult to blame the High Court or the system for this position. The client can go to the Court with one Counsel at a moderate fee. It is unlikely that the Court will ever frame rules making Counsel's fees proportionate to the amount involved and prohibiting them taking more.

The fee allowed by the Taxing Master depends upon the amount involved and the intricacy of the matter and to some very slight extent upon the standing of the Counsel. Pleaders' fees follow a scale, but no Court prohibits a pleader from asking a higher fee if due to his professional standing he can demand it.

We doubt very much whether even the abolition of the of Rs. 10,001 will make any difference.

It will, we fear only result in the costs of the second Counsel or the special fee being paid almost invariably by the successful as well as by the unsuccessful party instead of by the latter alone.

THE CHAMBER'S DAILY TRADE RETURN.

MEANING OF CERTAIN WORDS.

For the information of members the following statement was prepared in July 1932 explaining the meaning of certain words which appear in the Chamber's Daily Trade Return.

Agarbati	A wick of about one foot in length covered with a composition of a fragrant substance generally used as incense for burning purposes by the Hindoos in their religious ceremonies.
Angoor	A Malayan name for Grapes.
Bajree	An important food crop in India the bulrush or spiked millet (*Pennisetum typhoideum*).
Dari Seed	Also known as Joowar.
Dry Beef Casings ..	The term casing is generally speaking confined to the viscera of cattle while those of goats and sheep are called guts, though the guts of certain sheep are sold salted as casing as for example those of the fat-tailed Delhi Rams. There are different trade varieties of casings :— Runners, Middles, Bungs, Bladders, Throats (known in England as Weasands), Miris, etc.
Dry Casings	
Dry Ox Miris ..	
Dry Ox Bungs ..	
Chowli Grain	A kind of Pulse.
Mussor	Lentils (*Lens esculenta*).

Mussor Dhall ..	The word Dhall is a common term applied to the split grain of a large variety of pulse.
Moong Dhall ..	
Kalimji Seed ..	Also known as Onion Seed.
Kardi Seed ..	Safflower Seed.
Methi Seed ..	Fenugrek Seed.
Jardaloo ..	Apricots.
Kissmiss ..	Raisins.
Isubgul Husks	Flea Seed husks.
Sonamuki ..	Senna Leaves.
Kadukatki ..	An Indian drug.
Mowra Seed ..	Known also as Mowhra, Mowa or Mohua Seed. This seed is obtained from three species of Bassia, *viz*: 1. Latifolia—a desiduous tree, 2. Longifolia and (3). Butyracea.
Simsim Seed ..	The seed of a plant named *Sesamum indicum* and known in the trade as Teelseed, Till, Gingelly, Sesame or Simsim.
Seagosh skins ..	Different varieties of skins. The skins in general parlance denotes the raw dressed or tanned skins of calves, sheep, goats, deer and other wild animals.
Baghana skins ..	
Samacha skins ..	
Ilmenite Sand	In association with the Monazite sands of Travancore (South India) are found Ilmenite and Zircon. Ilmenite is employed in the manufacture of magnetic electrodes.
Gum Gopgal ..	Trade names for several descriptions of soluble gum.
Gum Googar ..	
Gum Ghatty ..	
Wood Maiyang ..	Trade names for different varieties of wood and timber.
Wood Mutti ..	
Wood Willow ..	
Samoder-fins ..	Also known as Cuttle-fish Bones and used as Painters' materials.
Ooplate ..	A preparation of opium and morphia.

Sandalwood Tacha ..	East Indian Sandalwood is the heartwood of Antallum Album, an evergreen tree chiefly grown in Southern India. The heartwood (equivalent to about one-third of the felled tree by weight) is employed in the manufacture of small caskets, picture frames, and for carved work in general. It is also used for religious rites and ceremonies *e.g.*, The Hindoos burn billets of it when cremating their Dead and the Parsees use it in their Fire Temples. While in Europe it is used for distillation purpose. The word ' tacha ' signifies small pieces.
Oil Khusba	Two kinds of Essential Oil.
Palma Rosa Oil ..	
Firoza Stone	A kind of stone.
Dopattas	A kind of Cotton Fancy Fabric.
Dyed Dobbies ..	

INDIAN MERCHANT SHIPPING ACT, 1923.

PILGRIM SHIPS.

Letter No. 1129/179, dated the 28th April 1932, from the Bombay Chamber to the Government of India, Legislative Assembly Department, Simla.

I have the honour to address you in connection with Bill No. 29 of 1932, a Bill further to amend the Indian Merchant Shipping Act, 1923, for certain purposes, published in Part V of the *Gazette of India*, dated 19th March 1932.

2. As the Bill relates solely to pilgrim ships and the pilgrim traffic the Committee of the Chamber have consulted the interests concerned and been favoured with the latter's views on the proposed legislation.

3. The Bill contains certain objectionable features some of which were dealt with by my Committee when the recommendations of the Haj Inquiry Committee were submitted

to them for consideration. They desire now to record their view that there is considerable weight in the objections advanced against the proposal contained in clause 11, section 208B (2) which provides that the ticket issued to a pilgrim shall entitle him to receive food and water free of further charge throughout the voyage. The provision of cooked food to all pilgrims is, my Committee feel, impracticable. The proposal has been opposed by all the Shipping Companies interested in the trade and by the Bengal, Karachi and Bombay Chambers and by the Karachi Port Trust as intimated by the Government of India in their note on recommendations No. 97 to 110 of the Haj Inquiry Committee's report. The Government of Bombay also strongly opposed the proposal in the following terms :—

" The Government of Bombay consider that it would be most difficult, if not impossible, to put the recommendations made in these sub-paragraphs into practice, and that the best course would be to allow the pilgrims to make their own arrangements for food by bringing their own supplies on board or purchasing them on board. It does not appear to the Government of Bombay that any useful purpose would be served by amending the Indian Merchant Shipping Act to provide for the supply of cooked food by shipping companies until it is possible to secure the object in view. The various classes of pilgrims prefer to have their own food cooked in their own way and to forbid private cooking would cause hardships and rouse discontent."

4. In an endeavour to meet the requirements of such few pilgrims as desire to purchase cooked food on pilgrim vessels restaurants have been provided on such vessels and the fact that only a small number of passengers avail themselves of this facility is, in the opinion of my Committee, a clear indication that compulsory feeding by the ship would not be popular amongst the pilgrims. The expense involved would also be prohibitive as special crew quarters would have to be

provided for the large staff required and this is structurally impossible in present pilgrim tonnage. If such quarters were insisted upon in new tonnage it would seriously reduce the pilgrim carrying capacity of the ship and, as the pilgrim trade is seasonal, lasting only for about four months of the year, the space occupied by such quarters would remain idle for the rest of the year and affect the cargo carrying capacity of the vessels during the non-pilgrim season. The cost of erecting special cooking appliances would also be heavy and the wages of the extra staff would be out of all proportion to the actual work done by them as while a round voyage Bombay to Jeddah and Red Sea Ports and back to Bombay takes about 30 days pilgrims are only on board 10 days leaving the staff idle but on pay and drawing rations for the remaining two-thirds of the voyage. The all-in cost of feeding would, in consequence, be out of all proportion to the actual net cost of the food and would result in heavily increased fares which might have an adverse effect on the trade besides being diametrically opposed to the expressed desire of both the Government of India and the Haj Inquiry Committee that fares should be reduced.

5. Clause 15, Section 212A, provides for a fine which may extend to Rs. 30 for any pilgrim who cooks food or lights a fire on any pilgrim ship. It is not indicated who would be responsible for the levying and collection of such fines. The task would be most difficult, if not impossible. Moreover, the prohibition of cooking and lighting fires is likely to cause great hardship on pilgrims who like to make tea at frequent intervals and who may have to cook special food for babies or semi-invalids or require hot water for washing, etc. Fires are only allowed on the special spaces provided on the upper decks and are not a source of danger.

6. Clause 11, Section 209 (2), provides that in the event of a holder of a return coupon not availing himself of the same within the prescribed period the value thereof shall lapse to Government. So far as my Committee are aware this is the only known case where a Government seeks to claim from a passenger carrier money collected by the carrier if the return journey is not performed and they consider that the method proposed to attain Government's end in this matter may create a most undesirable precedent for the future. They feel that other means should be found to enable Government to recoup the cost of repatriating destitute pilgrims.

7. Clause 13, Section 209B, provides that the owner of a pilgrim ship shall advertise the sailing of any pilgrim ship "before such interval as may be prescribed." This, it is felt, is a dangerous precedent and an interference with the freedom of an owner to advertise his sailings when and how he chooses. The interval prescribed might be made so long as to force a shipowner to advertise sailings months before the pilgrim season commences and then, if pilgrims were not available on the advertised sailing date he would be forced to sail the vessel without sufficient pilgrims to justify the voyage. The pilgrim trade is such that there is no guide by which the owner can judge when or how many pilgrims will come down to the ports. Since the war the seasons have varied from as low as 9,000 to as high as 37,000 and it is not until pilgrims actually begin to come down to the ports that a shipowner can judge whether it is worth while berthing a vessel. It is felt that the shipowner may safely be trusted in his own interests to advertise his sailings in such manner as will, in his opinion, encourage pilgrims to come down to the ports.

8. Clause 9, Section 205, regarding the bonds to be signed by the shipowner, lays down that the owner shall pay "any sum claimed by the Governor-General-in-Council." This, in the opinion of my Committee, is too wide and should be worded "any sum legally claimed" or "any sum legally due."

INDIAN MINES ACT, 1923.

Letter No. 9683-G/28, dated the 20th October 1932, from the Under-Secretary to the Government of Bombay, (Revenue Department), to the Chamber.

I am directed by the Governor in Council to forward a copy of Government Resolution, No. 9683/28, dated the 11th October 1932, together with its accompaniments, and to request that Government may be favoured with the opinion of your Chamber on the questions dealt with in the letter from the Government of India accompanying the Resolution.

2. The reply to this reference may, please, be forwarded so as to reach Government not later than 16th January 1933.

GOVERNMENT OF BOMBAY.

REVENUE DEPARTMENT,

Resolution No. 9683/28.

11*th October* 1932.

Letter* from the Government of India, Department of Industries and Labour, No. M. 1265, dated the 21st September 1932.

RESOLUTION.—Copies of the letter from the Government of India and of its accompaniments should be forwarded to

* Copy appended.

the Commissioner in Sind, the Commissioner, N. D., the Commissioner, S. D., the Collector of Bombay and of the Bombay Suburban District, the Director of Industries, and the Commissioner for Workmen's Compensation, Bombay, with the request that they will favour Government with their opinion on the questions dealt with in the letter after consulting such public associations (other than those mentioned in paragraph 2 of this Resolution) or individuals as they may consider interested in the subject.

2. Copies of the letter and of its accompaniments should also be forwarded to the Chambers of Commerce, Bombay and Karachi, the Indian Merchants' Chamber, Bombay, the Karachi Indian Merchants' Association, the Buyers and Shippers Chamber, Karachi, and the Marwari Chamber of Commerce, Limited, Bombay, for favour of opinion.

3. The officers and the associations mentioned above should be requested to send their replies so as to reach Government not later than 16th January 1933.

Letter No. M. 1265, dated Simla, the 21st September 1932, from the Honourable Mr. Tin Tut, I.C.S., Offg. Joint Secretary to the Government of India, to All Local Governments (except N.W.F. Province) and Administrations (except Coorg and Aden).

I am directed to address you on the subject of the amendment of the Indian Mines Act, 1923, with particular reference to the recommendations made by the Royal Commission on Labour shown in the appended schedule.

2. The most important question arising out of these recommendations is that of the regulation of hours in mines. By the Mines Act of 1923 weekly hours for miners were

limited to 54 underground and 60 above ground. No limit was set to the daily hours and a certain number of coal miners continued to spend on occasion long continuous spells in the mine. A daily limit of 12 hours was imposed by the Act of 1928, with effect from 1930. This limit was not designed to reduce the total hours demanded of the miner; in view of the weekly hours already in force, it was obviously quite ineffective for that purpose. It represented rather a first step towards securing a regular and reasonable distribution of the miners' hours in those mines where this had not already been achieved by the employer. There was naturally some criticism of a measure which countenanced so long a day as 12 hours, and it was generally recognized that this was by no means suitable as a permanent limit. In the Legislative Assembly there was a considerable body of opinion in favour of enforcing an eight-hour day and this was also the view of a minority of the Select Committee on the Bill. The remaining members of the Committee agreed that a system of eight-hour shifts was the system which should be gradually worked up to, but they considered that the safest course was to advance cautiously and they recommended that after the measure had been in force for three years the situation should again be examined to see whether an eight-hour shift could then be introduced. The measure came into force in April 1930, and on the basis of this recommendation the examination should take place next year. The Royal Commission on Labour which reviewed the whole question came to conclusions similar to those reached by the Select Committee. The minority of the Commission advocated the reduction of the daily limit to eight hours, while the majority endorsed the recommendation of the majority of the Select Committee. So far as the

weekly limits were concerned, the Commission recommended the reduction of the limit above ground to 54. *Extracts from the Report of the Select Committee and of the Labour Commission are appended.

3. In the meantime, the question has also been raised by the adoption of a Draft Convention by the International Labour Conference held at Geneva in 1931. This Convention relates to coal mines only and prescribes that the hours of work should be limited to 7¾ hours a day in underground coal mines and to 8 hours a day, and 48 hours a week, in open coal mines. The Convention was framed solely with reference to conditions in European countries and the Government of India made it clear through their representatives to the 15th session of the International Labour Conference that they were not prepared to undertake in connection with the Draft Convention anything beyond an examination, in consultation with those best fitted to advise of its provisions with a view to seeing how far these could be adapted to Indian conditions. The Convention was placed before the Legislative Assembly on the 24th February and the Council of State on the 2nd March 1932 and the following Resolution was adopted by both the Chambers :—

"This Assembly/Council having considered the Draft Convention limiting hours of work in coal mines adopted at the 15th Session of the International Labour Conference, recommends to the Governor-General-in-Council that he should examine the possibility of reducing the statutory limits for hours of work in mines and that the results of this examination should be placed before this Assembly/Council."

4. Having regard to this Resolution and to the fact that about two and a half years have elapsed since the Act of 1928 came into full effect, the Government of India consider that

* Not reproduced.

the question might now be examined. So far as weekly hours are concerned, the Government of India are provisionally disposed to the view that hours above ground should not exceed 54. As regards underground work, such statistics as are available suggest that existing hours in most fields do not exceed on the average 48 weekly, and the Government of India would be glad if the possibility of a reduction to this limit could be carefully considered. In this connection, I am to observe that, whereas in the past considerable difficulty has arisen from the scarcity of mining labour, the supply of labour now seems to be generally in excess of the work available. At the present time, therefore, a reduction might be effected with little dislocation from the point of view of management, and with advantages to labour as a whole. But the question of weekly hours should not be examined without reference to the reduction that can be effected in the daily limit, for there would be distinct advantages in so fixing the daily limit as to make it possible to dispense with the weekly limit altogether. If this is to be attempted, the Government of India, while they are disposed to agree with the Select Committee that the eight hour shift should be the aim, doubt if it would be wise or even practicable, in present circumstances, to set so low a limit to the daily hours. If dependence is to be placed on a daily limit for preventing excessive hours, nine hours would seem to be as low a limit as is reasonable. With such a limit, the miner would be given much better protection than he has at present and the industry might be assisted by securing greater regularity of work, which, as the Labour Commission have emphasized, should be one of the main objects in the coalfields especially. At the same time, it would probably be unnecessary to attempt to reduce weekly hours below 54, and

the weekly limit could be abrogated, thus greatly simplifying the problem of regulating hours. How far this is practicable is a question on which the Government of India particularly desire opinions; but they hope that whatever solution is adopted, it will be possible to effect a substantial reduction in the present daily limit of 12 hours.

5. I am also to request opinions on three other recommendations of the Labour Commission, *viz.*, Nos. 103, 104 and 107, set out in the schedule appended to this letter.*

(*i*) At present no child under the age of 13 years may be employed in a mine, either above or below ground, or may enter any part of the mine which is underground. At page 129 of their report the Labour Commission recommend that this age should be raised to 14. The Government of India are disposed to agree with the Commission's view that since no large number of young persons are employed in mines the age could be raised without detriment to the industries concerned.

(*ii*) Section 20 of the Indian Mines Act requires the owner agent or manager of the mine to give notice of an accident occurring in or about the mine only where it causes loss of life or serious bodily injury. The Labour Commission recommend for the better maintenance of safety statistics and for the better check of the Workmen's Compensation Act, that the law should require a report of all accidents in mines likely to involve enforced absence in excess of the waiting period under the Workmen's Compensation Act. The waiting period under the Act is at present ten days, but in a Bill before the Legislative Assembly a proposal has been made to reduce this period to seven days. As this proposal is based on another recommendation of the Commission, it was presumably intended that the shorter of these two periods should be adopted in the Mines Act. The Indian Factories Act already requires reports of actions causing the disablement of any worker for a period of 48 hours, and the acceptance of the Commission's proposal therefore would still make the demands on mine managers less than those regarded as necessary in the case of factories.

* Not reproduced.

(*iii*) Section 22 of the Mines Act leaves it to the discretion of the local Government to publish at such time and in such manner as it may think fit any report submitted by a committee or a court of inquiry under the Act. The Commission's proposal is to amend the law so as to make it obligatory upon the local Governments to publish such reports. The British Coal Mines Act requires the Secretary of State to cause the report of a court of inquiry to be laid in full before both Houses of Parliament. There would appear to be no objection to granting publicity to all such reports in India.

6. I am to ask that representative organizations of mine employers and mine workers and such other public associations or individuals as may be interested in the subject may be consulted on the questions raised in this letter and that a reply may kindly be submitted so as to reach the Government of India by 1st March 1933. For the convenience of those consulted, I am to summarise the points on which opinions are desired, *viz* :—

(1) what are the most suitable limits to the daily and weekly hours of work—

(*a*) above ground, and

(*b*) underground ?

(2) should the present minimum age for children be raised and, if so, to what extent ?

(3) should mine managers be required to report all accidents likely to involve the enforced absence of any worker in excess of seven days?

(4) should it be obligatory for local Governments to publish reports of a committee appointed under section 11 or of a court of inquiry appointed under section 21 of the Mines Act ?

Letter No. 2721/284, dated 10th November 1932, from the Secretary, Bombay Chamber of Commerce, to the Secretary, Bengal Chamber of Commerce, Calcutta.

The Government of Bombay requested the views of this Chamber on the questions dealt with in the letter No. M. 1265. dated 21st September 1932, addressed by the Government of India, Department of Industries and Labour

to all Local Governments and Administrations. This Chamber has not many members interested in this question and among those who have been consulted some divergence of opinion has shown itself. My Committee would therefore be glad to learn the views of the Indian Mining Association on the points summarised in the last paragraph of the Government of India's letter under reference, and in particular on the most suitable limits to the daily and weekly hours of work.

As regards the employment of children, it has been suggested that if the labourer's child of between 13 and 14 is not at school it would be preferable to define the work which he may be permitted to do rather than debar him from any kind of useful employment.

It is also considered that the proposal that mine managers should be required to report all accidents likely to involve the enforced absence of any worker in excess of 7 days is vexatious and unnecessary.

I am to request that you will be good enough to consult with the Indian Mining Association and let my Committee have the benefit of their views.

Copy of letter No. 4216, dated the 23rd December 1932, from the Secretary, Bengal Chamber of Commerce, to the Secretary to the Government of Bengal, Commerce Department, forwarded to the Bombay Chamber under Bengal Chamber's Endorsement No. 4217 of the 23rd December 1932.

I have the honour to invite a reference to your endorsement No. 1133-37, T. Com. dated 3rd October 1932, forwarding copies of the marginally noted letter and its enclosure for information and for an expression of the Chamber's opinion on the various questions raised in these papers. You ask also that the

Letter No. M.1265 dated 21st September 1932 from the Government of India, Department of Industries & Labour.

opinion of the Indian Mining Association may be forwarded separately.

2. The papers relate to certain proposals for the amendment of the Indian Mines Act, 1923, with particular reference to the recommendations made by the Royal Commission on Labour; the most important question arising out of these recommendations is that of the regulation of hours in mines. I am directed to explain that the subject has been carefully examined by the Indian Mining Association and I am to forward herewith, for the information of the Government of Bengal, a copy of the marginally-noted letter in which the views of the Association are explained. The Chamber Committee have had these views under consideration and desire to associate themselves with the Association. They do not desire to submit any separate detailed expression of opinion in the matters referred to

Letter No. 1187-R dated 16th December 1932 from the Indian Mining Association to the Government of Bihar and Orissa, Revenue Department.

Copy of a letter No. 1187-R, dated Calcutta, 16th December 1932, from the Indian Mining Association to the Government of Bihar and Orissa (Revenue Department).

I have the honour to refer to your letter No. 618-24/VII/M-34, Com-R., dated 3rd October 1932, with which you forwarded copy of a letter dated 21st September from the Government of India, Department of Industries and Labour, together with its enclosures, on the subject of the amendment of the Indian Mines Act, 1923. You asked to be favoured with an expression of this Association's views on the questions summarised in paragraph 6 of the Government of India's letter, *viz.*;—

(1) What are the most suitable limits to the daily and weekly hours of work:—

(*a*) above ground, and

(*b*) underground ?

(2) Should the present minimum age for children be raised and, if so, to what extent ?

(3) Should Mine Managers be required to report all accidents likely to involve the enforced absence of any workers in excess of seven days ?

(4) Should it be obligatory for Local Governments to publish reports of a Committee appointed under Section 11 or of a court of enquiry appointed under Section 21 of the Mines Act ?

The Committee, in consultation with the Technical Sub-Committees, have now given consideration to the points on which the Government of India desire an expression of opinion and I have been instructed to reply as follows :—

(1) In the opinion of the Committee the present weekly limit of 60 hours of work above ground is not excessive and should be allowed to remain. They have no objection, however, to the present daily limit being reduced from 12 hours to 10 hours. The introduction of a shorter number of hours than 10 per day may affect the wages of a large number of surface workers who are paid on contract. It is customary to allow surface workers a respite of two hours during the heat of the day. A day of 10 hours divided into two portions by a suitable period of rest would, therefore, in practice, mean an eight hour day or practically 48 hour week. In the interests of general health, especially during the hot weather, it is essential that the workers should be given as long a rest as possible and to reduce the 60 hour week further would mean a shorter period of rest for the worker.

(*b*) The Committee favour the reduction of the maximum daily hours for underground workers from 12 hours to 9 hours. Safety workers, *e.g.*, pump attendants, men in charge of ventilating machinery and those responsible for the safety of the mine, who now work 8 hour shifts and change

over underground must be allowed time to proceed with their work, change over their shifts underground and return to the surface. If a maximum of 9 hours is enforced by law from " bank to bank " it would allow sufficient time for workmen to proceed to their duties without undue haste.

The Committee would also like to suggest that the elaborate registers recording the working hours of each individual worker should be abandoned if and when the 9 hour daily limit is introduced.

(2) In the memorandum submitted by this Association to Government in connection with the recommendations of the Royal Commission on Labour it was stated that the Committee supported the recommendation that children under 14 years of age should not be permitted to work in or about mines. A member of the Technical Sub-Committee has suggested that Government should give consideration to the question of allowing boys between the age of 10 and 14 to work on the surface and that their duties should be confined to such light work as picking. This suggestion is put forward for the benefit of the workers themselves as, it is pointed out, that at an age between 10 and 14 a boy, if not employed, is inclined to waste his time on activities which will be of little advantage to himself in future life as a worker. In the opinion of the Committee it would be extremely difficult to introduce legislation in this connection but the suggestion is put forward for the consideration of Government.

(3) In the Association's memorandum on the recommendations of the Labour Commission it was mentioned that the Committee did not think it was necessary for minor accidents to be reported weekly to the Chief Inspector of Mines. At present fatal accidents and serious accidents are reported

forthwith to the District Magistrate and to the Chief Inspector of Mines. The reporting of minor accidents will involve extra clerical work both for the collieries and the Department of Mines. Any extra work of this nature means the employment of additional staff and although the expenditure may be small these gradually increasing requirements add considerably to the cost of production. The Committee therefore suggest that in the event of Government introducing legislation making it compulsory for minor accidents to be reported, such reports should not require to be submitted until after the expiry of the waiting period under the Workmen's Compensation Act.

(4) The Committee agree that it should be obligatory for local Governments to publish reports of a Committee appointed under Section 11 or of a court of enquiry under Section 21 of the Mines Act.

Letter No. 70/284, dated the 7th January 1933, from the Bombay Chamber of Commerce to the Secretary to the Government of Bombay (Revenue Department), Bombay.

I have the honour to acknowledge the receipt of your letter No. 9683/G/28 of the 28th October last and its accompaniments in connection with the proposed amendment of the Indian Mines Act.

In reply I am to state that my Committee have been favoured with a copy of a letter that has been addressed by the Indian Mining Association to the Government of Bihar and Orissa on the same subject and they desire to support the views expressed therein. For ready reference I am attaching hereto a copy of the letter in question.

INDIAN COMPANIES (SUPPLEMENTARY AMENDMENT) ACT.

ACT No. I OF 1932.

[PASSED BY THE INDIAN LEGISLATURE.]

(*Received the assent of the Governor-General on the 5th March*, 1932.)

An Act to amend the Indian Companies (Amendment) Act, 1930, for a certain purpose.

WHEREAS it is expedient to amend the Indian Companies (Amendment) Act, 1930, for the purpose hereinafter appearing; It is hereby enacted as follows:—

XIX of 1930.

Short title.

1. This Act may be called the Indian Companies (Supplementary Amendment) Act, 1932.

Amendment of section 2, Act XIX of 1930.

2. In the proviso substituted by sub-clause (*ii*) of clause (*a*) of section 2 of the Indian Companies (Amendment) Act, 1930, for the words "whereof the partners all," the words "whereof all the partners practising in India" shall be substituted.

XIX of 1930.

WHEAT IMPORT DUTY (EXTENDING) ACT.

ACT No. III OF 1932.

[PASSED BY THE INDIAN LEGISLATURE.]

(*Received the assent of the Governor-General on the 5th March*, 1932.)

An Act to extend the operation of the Wheat (Import Duty) Act, 1931.

WHEREAS it is expedient to extend to operation of the Wheat (Import Duty) Act, 1931; It is hereby enacted as follows:—

XV of 1931.

Short title.

1. This Act may be called the Wheat Import Duty (Extending) Act, 1932.

Amendment of section 1, Act XV of 1931.

2. In sub-section (3) of section of the Wheat (Import Duty) Act, 1931, for the figures 1932 " the figures " 1933 " shall be substituted. XV of 1931.

Repeal of section 3, Act XV of 1931.

3. Section 3 of the Wheat (Import Duty) Act, 1931, is hereby repealed. XV of 1931.

INDIAN FINANCE (SUPPLEMENTARY AND EXTENDING) ACT.

ACT No. IV OF 1932.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor-General on the 5th March, 1932.)

An Act to amend the Indian Finance (Supplementary and Extending) Act, 1931, for a certain purpose.

WHEREAS it is expedient to amend the Indian Finance (Supplementary and Extending) Act, 1931, for the purpose hereinafter appearing ; It is hereby enacted as follows :—

Short title.

1. This Act may be called the Indian Finance (Supplementary and Extending) Amendment Act, 1932.

Amendment of section 7, Indian Finance (Supplementary and Extending) Act, 1931.

2. To section 7 of the Indian Finance (Supplementary and Extending) Act, 1931, the following sub-section shall be added, namely :—

" (3) For the purpose of assessing and collecting the taxes imposed by sub-section (1), the Indian

XI of 1922.

Income-tax Act, 1922, shall be deemed to be subject to the adaptations set out in Part I-A of Schedule II to this Act."

Amendment of Part I, Schedule II to the Indian Finance (Supplementary and Extending) Act, 1931.

3. After Part I of Schedule II to the Indian Finance (Supplementary and Extending) Act, 1931, the following Part shall be inserted, namely :—

"PART I-A."

(*See* Section 7.)

Adaptations to provide for the summary assessment of such incomes.

1. The Income-tax Officer may, save where he has served a notice under sub-section (2) of section 22 of the Indian Income-tax Act, 1922, make a summary assessment of the income of an assessee to the best of his judgment, and shall serve on the assessee a notice of demand in a form to be prescribed by the Central Board of Revenue ; and such notice shall be deemed to be a notice of demand under section 29 of that Act.

2. Any assessee in respect of whom such summary assessment has been made may, within thirty days of receipt of the notice of demand, make an application to the Income-tax Officer for the cancellation or revision of the assessment, and the Income-tax Officer shall, after examining any accounts and documents and hearing any evidence which the assessee may produce, and such other evidence as the Income-tax Officer may require, determine, by order in writing, the amount of the tax, if any, payable by the assessee, and such determination shall be final :

Provided that, if any assessee making such application files therewith a return of his income under sub-section (2) of section 22 of the Indian Income-tax Act, 1922, the application shall be deemed to be a return under that sub-section and shall be dealt with accordingly.

3. A copy of an order under paragraph 2 shall be served on the assessee to whom it relates and shall be deemed to be a notice of demand under section 29 of the Indian Income-tax Act, 1922.

4. The above procedure shall apply also to the assessment and collection during the financial year 1932-33 of incomes of Rs. 1,000 and upward and less than Rs. 2,000 which have escaped assessment in the financial year 1931-32."

WIRE AND WIRE NAIL INDUSTRY (PROTECTION) ACT.

ACT No. V OF 1932.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor-General on the 5th March, 1932.)

An Act to provide for the fostering and development of the wire and wire nail industry in British India.

WHEREAS it is expedient, in pursuance of the policy of discriminating protection of industries in British India with due regard to the well-being of the community, to provide for the fostering and development of the wire and wire nail industry by increasing the import duty leviable, with certain

exceptions, on wire and wire nails, for the period of twoyears ; It is hereby enacted as follows :—

Short title.

1. This Act may be called the Wire and Wire Nail Industry (Protection) Act, 1932.

Amendment of Schedule II, Act VIII of 1894.

VIII of 1894.

2. (1) In Schedule II to the Indian Tariff Act, 1894, there shall be made the amendments specified in the Schedule to this Act.

(2) The amendments made by sub-section (1) shall have effect up to the 31st day of March, 1934.

Bar of operation of section 4, Indian Finance (Supplementary and Extending) Act, 1931.

3. Notwithstanding anything contained in section 4 of the Indian Finance (Supplementary and Extending) Act, 1931, the additional duty of customs imposed by that section shall not be levied or collected on iron or steel wire or wire nails comprised in item No. 149 of Schedule II of the Indian Tariff Act, 1894, as inserted by Item No. 2 of the Schedule to this Act.

VIII of 1894.

THE SCHEDULE.

(*See* Section 2.)

Amendments to be made in Schedule II to the Indian Tariff Act, 1894.

1. In Item No. 61,—

(*a*) for the sub-item—

"IRON OR STEEL nails and washers, all sorts"

the following sub-item shall be substituted, namely :—

"IRON OR STEEL nails and washers, all sorts, not otherwise specified"

and

(*b*) for the sub-item—

"IRON OR STEEL wire, including fencing-wire and wire-rope but excluding wire-netting"

the following sub-item shall be substituted, namely :—

"IRON OR STEEL barbed or stranded fencing-wire and wire-rope."

2. In Part VII, after Item No. 148, the following item shall be inserted, namely :—

"149	IRON OR STEEL— (*a*) wire, other than barbed or stranded fencing-wire, wire-rope or wire-netting; and (*b*) wire nails.	Rs. 45 per ton."

BAMBOO PAPER INDUSTRY (PROTECTION) ACT.

ACT No. VI OF 1932.

[PASSED BY THE INDIAN LEGISLATURE.]

(*Received the assent of the Governor-General on the 5th March*, 1932.)

An Act further to amend the law relating to the fostering and development of the bamboo paper industry in British India.

WHEREAS it is expedient further to amend the law relating to the fostering and development of the bamboo Paper Industry in British India; It is hereby enacted as follows :—

1. This Act may be called the Bamboo Paper Industry (Protection) Act, 1932.

Short title.

XXV of 1925. Amendment of section 2, Act XXV of 1925.

2. In sub-section (2) of section 2 of the Bamboo Paper Industry (Protection) Act, 1925, for the figures " 1932 " the figures " 1939 " shall be substituted.

XX of 1927. Amendment of section 2, Act XX of 1927.

3. In sub-section (2) of section 2 of the Bamboo Paper Industry (Protection) Act, 1927, for the figures " 1932 " the figures " 1939 " shall be substituted.

VIII of 1894 XX of 1927. Amendment of Schedule II, Act VIII of 1894, and Schedule to Act XX of 1927.

4. In Item No. 155 of Schedule II to the Indian Tariff Act, 1894, as enacted by the Bamboo Paper Industry (Protection) Act, 1927, for the figures and words " 65 per cent." the figures and words " 70 per cent." shall be substituted.

VIII of 1894. Amendment of Schedule II, Act VIII of 1894.

5. (1) In Schedule II to the Indian Tariff Act, 1894,—

(*a*) for Item No. 10, the following shall be substituted, namely :—

" 10	RAGS and other paper-making materials, excluding wood pulp" ;	

and

(*b*) in Part VII, after Item No. 159, the following item shall be inserted, namely : —

" 160	WOOD PULP	Ton.	Rs. 45."

(2) The amendments made by sub-section (1) shall have effect up to the 31st day of March 1939.

SALT (ADDITIONAL IMPORT DUTY) ACT.

ACT No. VII OF 1932.

[PASSED BY THE INDIAN LEGISLATURE.]

(*Received the assent of the Governor-General on the 31st March, 1932.*)

An Act to extend the operation of the Salt (Additional Import Duty) Act, 1931.

WHEREAS it is expedient to extend the operation of the Salt (Additional Import Duty) Act, 1931; It is hereby enacted as follows :— XIV of 1931.

1. This Act may be called the Salt Additional Import Duty (Extending) Act, 1932.

Short title.

2. In sub-section (3) of section 1 of the Salt (Additional Import Duty) Act, 1931 (hereinafter referred to as the said Act), for the figures "1932" the figures "1933" shall be substituted. XIV of 1931.

Amendment of section 1, Act XIV of 1931.

3. In section 3 of the said Act,—

Amendment of section 3, Act XIV of 1931.

(*a*) the existing section shall be numbered as sub-section (1), and

(*b*) the following sub-section shall be added, namely :—

"(2) Notwithstanding anything contained in section 4 of the Indian Finance (Supplementary and Extending) Act, 1931, the additional duty of customs imposed by that section shall not be levied or collected in respect of the additional duty of customs on salt imposed by sub-section (1)."

THE INDIAN PARTNERSHIP ACT, 1932.

ACT No. IX OF 1932.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor-General on the 8th April, 1932.)

An Act to define and amend the law relating to partnership.

WHEREAS it is expedient to define and amend the law relating to partnership ; It is hereby enacted as follows :—

CHAPTER I.

PRELIMINARY.

Short title, extent and commencement.

1. (1) This Act may be called the Indian Partnership Act, 1932.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) It shall come into force on the 1st day of October, 1932, except section 69, which shall come into force on the 1st day of October, 1933.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context,—

(*a*) an "act of a firm" means any act or omission by all the partners, or by any partner or agent of the firm which gives rise to a right enforceable by or against the firm ;

(*b*) "business" includes every trade, occupation and profession ;

(*c*) "prescribed" means prescribed by rules made under this Act ;

(*d*) "third party" used in relation to a firm or to a partner therein means any person who is not a partner in the firm; and

(*e*) expressions used but not defined in this Act and defined in the Indian Contract Act, 1872, shall have the meanings assigned to them in that Act. IX of 1872.

Application of provisions of Act IX of 1872.

3. The unrepealed provisions of the Indian Contract Act, 1872, save in so far as they are inconsistent with the express provisions of this Act, shall continue to apply to firms. IX of 1872.

CHAPTER II.

THE NATURE OF PARTNERSHIP.

Definition of "partnership," "partner," "firm," and "firm name."

4. "Partnership" is the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all.

Persons who have entered into partnership with one another are called individually "partners" and collectively "a firm," and the name under which their business is carried on is called the "firm name."

Partnership not created by status.

5. The relation of partnership arises from contract and not from status;

and, in particular, the members of a Hindu undivided family carrying on a family business as such, or a Burmese Buddhist husband and wife carrying on business as such are not partners in such business.

Mode of determining existence of partnership.

6. In determining whether a group of persons is or is not a firm, or whether a person is or is not a partner in a firm, regard shall be had to the real relation between the parties, as shown by all relevant facts taken together.

Explanation 1.—The sharing of profits or of gross returns arising from property by persons holding a joint or common interest in that property does not of itself make such persons partners.

Explanation 2.—The receipt by a person of a share of the profits of a business, or of a payment contingent upon the earning of profits or varying with the profits earned by a business, does not of itself make him a partner with the persons carrying on the business;

and, in particular, the receipt of such share or payment—

(*a*) by a lender of money to persons engaged or about to engage in any business,

(*b*) by a servant or agent as remuneration,

(*c*) by the widow or child of a deceased partner, as annuity, or

(*d*) by a previous owner or part owner of the business as consideration for the sale of the goodwill or share thereof,

does not of itself make the receiver a partner with the persons carrying on the business.

Partnership at will.

7. Where no provision is made by contract between the partners for the duration of their partnership, or for the determination of their partnership, the partnership is "partnership at will."

Particular partnership.

8. A person may become a partner with another person in particular adventures or undertakings.

CHAPTER III.

RELATIONS OF PARTNERS TO ONE ANOTHER.

General duties of partners.

9. Partners are bound to carry on the business of the firm to the greatest common advantage, to be just and faithful to each other, and to render true accounts and full information of all things affecting the firm to any partner or his legal representative.

Duty to indemnify for loss caused by fraud.

10. Every partner shall indemnify the firm for any loss caused to it by his fraud in the conduct of the business of the firm.

Determination of rights and duties of partners by contract between the partners.

11. (1) Subject to the provisions of this Act, the mutual rights and duties of the partners of a firm may be determined by contract between the partners, and such contract may be express or may be implied by a course of dealing.

Such contract may be varied by consent of all the partners, and such consent may be express or may be implied by a course of dealing.

Agreements in restraint of trade.

(2) Notwithstanding anything contained in section 27 of the Indian Contract Act, 1872, such contracts may provide that a partner shall not carry on any business other than that of the firm while he is a partner. IX of 1872.

The conduct of the business.

12. Subject to contract between the partners,—

(*a*) every partner has a right to take part in the conduct of the business ;

(*b*) every partner is bound to attend diligently to his duties in the conduct of the business;

(*c*) any difference arising as to ordinary matters connected with the business may be decided by a majority of the partners, and every partner shall have the right to express his opinion before the matter is decided, but no change may be made in the nature of the business without the consent of all the partners; and

(*d*) every partner has a right to have access to and to inspect and copy any of the books of the firm.

Mutual rights and liabilities.

13. Subject to contract between the partners,—

(*a*) a partner is not entitled to receive remuneration for taking part in the conduct of the business;

(*b*) the partners are entitled to share equally in the profits earned, and shall contribute equally to the losses sustained by the firm;

(*c*) where a partner is entitled to interest on the capital subscribed by him such interest shall be payable only out of profits;

(*d*) a partner making, for the purposes of the business, any payment or advance beyond the amount of capital he has agreed to subscribe, is entitled to interest thereon at the rate of six per cent. per annum;

(*e*) the firm shall indemnify a partner in respect of payments made and liabilities incurred by him—

(*i*) in the ordinary and proper conduct of the business, and

(*ii*) in doing such act, in an emergency, for the purpose of protecting the firm from loss, as would be done by a person of ordinary prudence, in his own case, under similar circumstances; and

(*f*) a partner shall indemnify the firm for any loss caused to it by his wilful neglect in the conduct of the business of the firm.

The property of the firm.

14. Subject to contract between the partners, the property of the firm includes all property and rights and interests in property originally brought into the stock of the firm, or acquired, by purchase or otherwise, by or for the firm, or for the purposes and in the course of the business of the firm, and includes also the goodwill of the business.

Unless the contrary intention appears, property and rights and interests in property acquired with money belonging to the firm are deemed to have been acquired for the firm.

Application of the property of the firm.

15. Subject to contract between the partners, the property of the firm shall be held and used by the partners exclusively for the purposes of the business.

Personal profits earned by partners.

16. Subject to contract between the partners,—

(*a*) if a partner derives any profit for himself from any transaction of the firm, or from the use of the property or business connection of the firm or the firm name, he shall account for that profit and pay it to the firm;

(*b*) if a partner carries on any business of the same nature as and competing with that of the firm, he shall account for and pay to the firm all profits made by him in that business.

17. Subject to contract between the partners,—

Rights and duties of partners after a change in the firm.

(*a*) where a change occurs in the constitution of a firm, the mutual rights and duties of the partners in the reconstituted firm remain the same as they were immediately before the change, as far as may be;

after the expiry of the term of the firm, and

(*b*) where a firm constituted for a fixed term continues to carry on business after the expiry of that term, the mutual rights and duties of the partners remain the same as they were before the expiry, so far as they may be consistent with the incidents of partnership at will; and

where additional undertakings are carried out.

(*c*) where a firm constituted to carry out one or more adventures or undertakings carries out other adventures or undertakings, the mutual rights and duties of the partners in respect of the other adventures or undertakings are the same as those in respect of the original adventures or undertakings.

CHAPTER IV.

RELATIONS OF PARTNERS TO THIRD PARTIES.

Partner to be agent of the firm.

18. Subject to the provisions of this Act, a partner is the agent of the firm for the purposes of the business of the firm.

Implied authority of partner as agent of the firm.

19. (1) Subject to the provisions of section 22, the act of a partner which is done to carry on, in the usual way, business of the kind carried on by the firm, binds the firm.

The authority of a partner to bind the firm conferred by this section is called his "implied authority."

(2) In the absence of any usage or custom of trade to the contrary, the implied authority of a partner does not empower him to—

(*a*) submit a dispute relating to the business of the firm to arbitration,

(*b*) open a banking account on behalf of the firm in his own name,

(*c*) compromise or relinquish any claim or portion of a claim by the firm,

(*d*) withdraw a suit or proceeding filed on behalf of the firm,

(*e*) admit any liability in a suit or proceeding against the firm,

(*f*) acquire immoveable property on behalf of the firm,

(*g*) transfer immoveable property belonging to the firm, or

(*h*) enter into partnership on behalf of the firm.

Extension and restriction of partner's implied authority.

20. The partners in a firm may, by contract between the partners, extend or restrict the implied authority of any partner.

Notwithstanding any such restriction, any act done by a partner on behalf of the firm which falls within his implied

authority binds the firm, unless the person with whom he is dealing knows of the restriction or does not know or believe that partner to be a partner.

Partner's authority in an emergency.

21. A partner has authority, in an emergency, to do all such acts for the purpose of protecting the firm from loss as would be done by a person of ordinary prudence, in his own case, acting under similar circumstances, and such acts bind the firm.

Mode of doing act to bind firm.

22. In order to bind a firm, an act or instrument done or executed by a partner or other person on behalf of the firm shall be done or executed in the firm name, or in any other manner expressing or implying an intention to bind the firm.

Effect of admissions by a partner.

23. An admission or representation made by a partner concerning the affairs of the firm is evidence against the firm, if it is made in the ordinary course of business.

Effect of notice to acting partner.

24. Notice to a partner who habitually acts in the business of the firm of any matter relating to the affairs of the firm operates as notice to the firm, except in the case of a fraud on the firm committed by or with the consent of that partner.

Liability of a partner for acts of the firm.

25. Every partner is liable, jointly with all the other partners and also severally, for all acts of the firm done while he is a partner.

Liability of the firm for wrongful acts of a partner.

26. Where, by the wrongful act or omission of a partner acting in the ordinary course of the business of a firm, or with the authority of his partners, loss or injury is caused to any third party, or any penalty is

incurred, the firm is liable therefor to the same extent as the partner.

Liability of firm for misapplication by partners.

27. Where—

(*a*) a partner acting within his apparent authority receives money or property from a third party and misapplies it, or

(*b*) a firm in the course of its business receives money or property from a third party, and the money or property is misapplied by any of the partners while it is in the custody of the firm,

the firm is liable to make good the loss.

Holding out.

28. (1) Any one who by words spoken or written or by conduct represents himself, or knowingly permits himself to be represented, to be a partner in a firm, is liable as a partner in that firm to any one who has on the faith of any such representation given credit to the firm, whether the person representing himself or represented to be a partner does or does not know that the representation had reached the person so giving credit.

(2) Where after a partner's death the business is continued in the old firm name, the continued use of that name or of the deceased partner's name as a part thereof shall not of itself make his legal representative or his estate liable for any act of the firm done after his death.

Rights of transferee of a partner's interest.

29. (1) A transfer by a partner of his interest in the firm, either absolute or by mortgage, or by the creation by him of a charge on such interest, does not entitle the transferee, during the continuance of the firm, to

interfere in the conduct of the business, or to require accounts, or to inspect the books of the firm, but entitles the transferee only to receive the share of profits of the transferring partner, and the transferee shall accept the account of profits agreed to by the partners.

(2) If the firm is dissolved or if the transferring partner ceases to be a partner, the transferee is entitled as against the remaining partners to receive the share of the assets of the firm to which the transferring partner is entitled, and, for the purpose of ascertaining that share, to an account as from the date of the dissolution.

Minors admitted to the benefits of partnership.

30. (1) A person who is a minor according to the law to which he is subject may not be a partner in a firm, but, with the consent of all the partners for the time being, he may be admitted to the benefits of partnership.

(2) Such minor has a right to such share of the property and of the profits of the firm as may be agreed upon, and he may have access to and inspect and copy any of the accounts of the firm.

(3) Such minor's share is liable for the acts of the firm, but the minor is not personally liable for any such act.

(4) Such minor may not sue the partners for an account or payment of his share of the property or profits of the firm, save when severing his connection with the firm, and in such case the amount of his share shall be determined by a valuation made as far as possible in accordance with the rules contained in section 48 :

Provided that all the partners acting together or any partner entitled to dissolve the firm upon notice to other partners may elect in such suit to dissolve the firm, and thereupon the Court shall proceed with the suit as one for

dissolution and for settling accounts between the partners, and the amount of the share of the minor shall be determined along with the shares of the partners.

(5) At any time within six months of his attaining majority, or of his obtaining knowledge that he had been admitted to the benefits of partnership, whichever date is later, such person may give public notice that he has elected to become or that he has elected not to become a partner in the firm, and such notice shall determine his position as regards the firm :

Provided that, if he fails to give such notice, he shall become a partner in the firm on the expiry of the said six months.

(6) Where any person has been admitted as a minor to the benefits of partnership in a firm, the burden of proving the fact that such person had no knowledge of such admission until a particular date after the expiry of six months of his attaining majority shall lie on the persons asserting that fact.

(7) Where such person becomes a partner,—

(*a*) his rights and liabilities as a minor continue up to the date on which he becomes a partner, but he also becomes personally liable to third parties for all acts of the firm done since he was admitted to the benefits of partnership ; and

(*b*) his share in the property and profits of the firm shall be the share to which he was entitled as a minor.

(8) Where such person elects not to become a partner,—

(*a*) his rights and liabilities shall continue to be those of a minor under this section up to the date on which he gives public notice.

(*b*) his share shall not be liable for any acts of the firm done after the date of the notice, and

(*c*) he shall be entitled to sue the partners for his share of the property and profits in accordance with sub-section (4).

(9) Nothing in sub-sections (7) and (8) shall affect the provisions of section 28.

CHAPTER V.

INCOMING AND OUTGOING PARTNERS.

Introduction of a partner.

31. (1) Subject to contract between the partners and to the provisions of section 30, no person shall be introduced as a partner into a firm without the consent of all the existing partners.

(2) Subject to the provisions of section 30, a person who is introduced as a partner into a firm does not thereby become liable for any act of the firm done before he became a partner.

Retirement of a partner.

32. (1) A partner may retire—

(*a*) with the consent of all the other partners,

(*b*) in accordance with an express agreement by the partners, or

(*c*) where the partnership is at will, by giving notice in writing to all the other partners of his intention to retire.

(2) A retiring partner may be discharged from any liability to any third party for acts of the firm done before his retirement by an agreement made by him with such third party and the partners of the reconstituted firm, and such agreement may be implied by a course of dealing between

such third party and the reconstituted firm after he had knowledge of the retirement.

(3) Notwithstanding the retirement of a partner from a firm, he and the partners continue to be liable as partners to third parties for any act done by any of them which would have been an act of the firm if done before the retirement, until public notice is given of the retirement:

Provided that a retired partner is not liable to any third party who deals with the firm without knowing that he was a partner.

(4) Notices under sub-section (3) may be given by the retired partner or by any partner of the reconstituted firm.

Expulsion of a partner.

33. (1) A partner may not be expelled from a firm by any majority of the partners, save in the exercise in good faith of powers conferred by contract between the partners.

(2) The provisions of sub-sections (2), (3) and (4) of section 32 shall apply to an expelled partner as if he were a retired partner.

Insolvency of a partner.

34. (1) Where a partner in a firm is adjudicated an insolvent he ceases to be a partner on the date on which the order of adjudication is made, whether or not the firm is thereby dissolved.

(2) Where under a contract between the partners the firm is not dissolved by the adjudication of a partner as an insolvent, the estate of a partner so adjudicated is not liable for any act of the firm and the firm is not liable for any act of the insolvent, done after the date on which the order of adjudication is made.

Liability of estate of deceased partner.

35. Where under a contract between the partners the firm is not dissolved by the death of a partner, the estate of a deceased partner is not liable for any act of the firm done after his death.

Rights of outgoing partner to carry on competing business.

36. (1) An outgoing partner may carry on a business competing with that of the firm and he may advertise such business, but, subject to contract to the contrary, he may not—

(*a*) use the firm name,

(*b*) represent himself as carrying on the business of the firm, or

(*c*) solicit the custom of persons who were dealing with the firm before he ceased to be a partner.

Agreements in restraint of trade.

(2) A Partner may make an agreement with his partners that on ceasing to be a partner he will not carry on any business similar to that of the firm within a specified period or within specified local limits; and, notwithstanding anything contained in section 27 of the Indian Contract Act, 1872, such agreement shall be valid if the restrictions imposed are reasonable.

IX of 1872.

Right of outgoing partner in certain cases to share subsequent profits.

37. Where any member of a firm has died or otherwise ceased to be a partner, and the surviving or continuing partners carry on the business of the firm with the property of the firm without any final settlement of accounts as between them and the outgoing partner or his estate, then, in the absence of a contract

to the contrary, the outgoing partner or his estate is entitled at the option of himself or his representatives to such share of the profits made since he ceased to be a partner as may be attributable to the use of his share of the property of the firm or to interest at the rate of six per cent. per annum on the amount of his share in the property of the firm :

Provided that where by contract between the partners an option is given to surviving or continuing partners to purchase the interest of a deceased or outgoing partner, and that option is duly exercised, the estate of the deceased partner, or the outgoing partner or his estate, as the case may be is not entitled to any further or other share of profits ; but if any partner assuming to act in exercise of the option does not in all material respects comply with the terms, thereof, he is liable to account under the foregoing provisions of this section.

Revocation of continuing guarantee by change in firm.

38. A continuing guarantee given to a firm, or to a third party in respect of the transactions of a firm, is, in the absence of agreement to the contrary, revoked as to future transactions from the date of any change in the constitution of the firm.

CHAPTER VI.

DISSOLUTION OF A FIRM.

Dissolution of a firm.

39. The dissolution of partnership between all the partners of a firm is called the " dissolution of the firm."

Dissolution by agreement.

40. A firm may be dissolved with the consent of all the partners or in accordance with a contract between the partners.

Compulsory dissolution.

41. A firm is dissolved—

(*a*) by the adjudication of all the partners or of all the partners but one as insolvent, or

(*b*) by the happening of any event which makes it unlawful for the business of the firm to be carried on or for the partners to carry it on in partnership :

Provided that, where more than one separate adventure or undertaking is carried on by the firm, the illegality of one or more shall not of itself cause the dissolution of the firm in respect of its lawful adventures and undertakings.

Dissolution on the happening of certain contingencies.

42. Subject to contract between the partners a firm is dissolved—

(*a*) if constituted for a fixed term, by the expiry of that term ;

(*b*) if constituted to carry out one or more adventures or undertaking, by the completion thereof ;

(*c*) by the death of a partner ; and

(*d*) by the adjudication of a partner as an insolvent.

Dissolution by notice of partnership at will.

43. (1) Where the partnership is at will, the firm may be dissolved by any partner giving notice in writing to all the other partners of his intention to dissolve the firm.

(2) The firm is dissolved as from the date mentioned in the notice as the date of dissolution or, if no date is so mentioned, as from the date of the communication of the notice.

Dissolution by the Court.

44. At the suit of a partner, the Court may dissolve a firm on any of the following grounds, namely:—

(*a*) that a partner has become of unsound mind, in which case the suit may be brought as well by the next friend of the partner who has become of unsound mind as by any other partner;

(*b*) that a partner, other than the partner suing, has become in any way permanently incapable of performing his duties as partner;

(*c*) that a partner, other than the partner suing, is guilty of conduct which is likely to affect prejudicially the carrying on of the business, regard being had to the nature of the business;

(*d*) that a partner, other than the partner suing, wilfully or persistently commits breach of agreements relating to the management of the affairs of the firm or the conduct of its business, or otherwise so conducts himself in matters relating to the business that it is not reasonably practicable for the other partners to carry on the business in partnership with him;

(*e*) that a partner, other than the partner suing, has in any way transferred the whole of his interest in the firm to a third party, or has allowed his share to be charged under the provisions of rule 49 of Order XXI of the First Schedule to the Code of Civil Procedure, 1908, or has allowed it to be sold in the recovery of arrears of land-revenue or of any dues recoverable as arrears of land-revenue due by the partner; V of 1908.

(*f*) that the business of the firm cannot be carried on save at a loss ; or

(*g*) on any other ground which renders it just and equitable that the firm should be dissolved.

Liability for acts of partners done after dissolution.

45. (1) Notwithstanding the dissolution of a firm, the partners continue to be liable as such to third parties for any act done by any of them which would have been an act of the firm if done before the dissolution, until public notice is given of the dissolution :

Provided that the estate of a partner who dies, or who is adjudicated an insolvent, or of a partner who, not having been known to the person dealing with the firm to be a partner, retires from the firm, is not liable under this section for acts done after the date on which he ceases to be a partner.

(2) Notices under sub-section (1) may be given by any partner.

Right of partners to have business wound up after dissolution.

46. On the dissolution of a firm every partner or his representative is entitled, as against all the other partners or their representatives, to have the property of the firm applied in payment of the debts and liabilities of the firm, and to have the surplus distributed among the partners or their representatives according to their rights.

Continuing authority of partners for purposes of winding up.

47. After the dissolution of a firm the authority of each partner to bind the firm, and the other mutual rights and obligations of the partners, continue notwithstanding the dissolution, so far as may be necessary to

wind up the affairs of the firm and to complete transactions begun but unfinished at the time of the dissolution, but not otherwise :

Provided that the firm is in no case bound by the acts of a partner who has been adjudicated insolvent ; but this proviso does not affect the liability of any person who has after the adjudication represented himself or knowingly permitted himself to be represented as a partner of the insolvent.

Mode of settlement of accounts between partners.

48. In settling the accounts of a firm after dissolution, the following rules shall subject to agreement by the partners, be observed :—

(*a*) Losses, including deficiencies of capital, shall be paid first out of profits, next out of capital, and, lastly, if necessary, by the partners individually in the proportions in which they were entitled to share profits.

(*b*) The assets of the firm, including any sums contributed by the partners to make up deficiencies of capital, shall be applied in the following manner and order :—

(*i*) in paying the debts of the firm to third parties ;

(*ii*) in paying to each partner rateably what is due to him from the firm for advances as distinguished from capital ;

(*iii*) in paying to each partner rateably what is due to him on account of capital ; and

(*iv*) the residue, if any, shall be divided among the partners in the proportions in which they were entitled to share profits.

Payment of firm debts and of separate debts.

49. Where there are joint debts due from the firm, and also separate debts due from any partner the property of the firm shall be applied in the first instance in payment of the debts of the firm, and, if there is any surplus, then the share of each partner shall be applied in payment of his separate debts or paid to him. The separate property of any partner shall be applied first in the payment of his separate debts, and the surplus (if any) in the payment of the debts of the firm.

Personal profits earned after dissolution.

50. Subject to contract between the partners, the provisions of clause (*a*) of section 16 shall apply to transactions by any surviving partner or by the representatives of a deceased partner, undertaken after the firm is dissolved on account of the death of a partner and before its affairs have been completely wound up :

Provided that where any partner or his representative has bought the goodwill of the firm, nothing in this section shall affect his right to use the firm name.

Return of premium on premature dissolution.

51. Where a partner has paid a premium on entering into partnership for a fixed term, and the firm is dissolved before the expiration of that term, otherwise than by the death of a partner, he shall be entitled to repayment of the premium or of such part thereof as may be reasonable, regard being had to the terms upon which he became a partner and to the length of time during which he was a partner, unless—

(*a*) the dissolution is mainly due to his own misconduct, or

(*b*) the dissolution is in pursuance of an agreement containing no provision for the return of the premium or any part of it.

Rights where partnership contract is rescinded for fraud or misrepresentation.

52. Where a contract creating partnership is rescinded on the ground of the fraud or misrepresentation of any of the parties thereto, the party entitled to rescind is, without prejudice to any other right, entitled—

(*a*) to a lien on, or a right of retention of, the surplus of the assets of the firm remaining after the debts of the firm have been paid, for any sum paid by him for the purchase of a share in the firm and for any capital contributed by him ;

(*b*) to rank as a creditor of the firm in respect of any payment made by him towards the debts of the firm ; and

(*c*) to be indemnified by the partner or partners guilty of the fraud or misrepresentation against all the debts of the firm.

Right to restrain from use of firm name of firm property.

53. After a firm is dissolved, every partner or his representative may, in the absence of a contract between the partners to the contrary, restrain any other partner or his representative from carrying on a similar business in the firm name or from using any of the property of the firm for his own benefit, until the affairs of the firm have been completely wound up :

Provided that where any partner or his representative has bought the goodwill of the firm, nothing in this section shall affect his right to use the firm name.

54. Partners may, upon or in anticipation of the dissolution of the firm, make an agreement that some or all of them will not carry on a business similar to that of the firm within a specified period or within specified local limits; and notwithstanding anything contained in section 27 of the Indian Contract Act, 1872, such agreement shall be valid if the restrictions imposed are reasonable.

Agreements in restraint of trade.

IX of 1872.

55. (1) In settling the accounts of a firm after dissolution, the goodwill shall, subject to contract between the partners, be included in the assets, and it may be sold either separately or along with other property of the firm.

Sale of goodwill after dissolution.

(2) Where the goodwill of a firm is sold after dissolution, a partner may carry on a business competing with that of the buyer and he may advertise such business, but subject to agreement between him and the buyer, he may not—

Rights of buyer and seller of goodwill.

(*a*) use the firm name,

(*b*) represent himself as carrying on the business of the firm, or

(*c*) solicit the custom of persons who were dealing with the firm before its dissolution.

(3) Any partner may, upon the sale of the goodwill of a firm, make an agreement with the buyer that such partner will not carry on any business similar to that of the firm within a specified period or within specified local limits, and, notwithstanding anything contained in section 27 of the Indian Contract Act, 1872, such agreement shall be valid if the restrictions imposed are reasonable.

Agreements in restraint of trade.

IX of 1872.

CHAPTER VII.

REGISTRATION OF FIRMS.

Power to exempt from application of this Chapter.

56. The Governor-General in Council may, by notification in the *Gazette of India*, direct that the provisions of this Chapter shall not apply to any province or to any part thereof specified in the notification.

Appointment of Registrars.

57. (1) The Local Government may appoint Registrars of Firms for the purposes of this Act, and may define the areas within which they shall exercise their powers and perform their duties.

(2) Every Registrar shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code. XLV of 1860.

Application for registration.

58. (1) The registration of a firm may be effected at any time by sending by post or delivering to the Registrar of the area in which any place of business of the firm is situated or proposed to be situated, a statement in the prescribed form and accompanied by the prescribed fee, stating—

(*a*) the firm name,

(*b*) the place or principal place of business of the firm,

(*c*) the names of any other places where the firm carries on business,

(*d*) the date when each partner joined the firm,

(*e*) the names in full and permanent addresses of the partners, and

(*f*) the duration of the firm.

The statement shall be signed by all the partners, or by their agents specially authorised in this behalf.

(2) Each person signing the statement shall also verify it in the manner prescribed.

(3) A firm name shall not contain any of the following words, namely :—

"Crown," "Emperor," "Empress," "Empire," "Imperial," "King," "Queen," "Royal," or words expressing or implying the sanction, approval or patronage of the Crown or the Government of India or a Local Government, except when the Government-General in Council signifies his consent to the use of such words as part of the firm name by order in writing under the hand of one of the Secretaries of the Government of India.

Registration

59. When the Registrar is satisfied that the provisions of section 58 have been duly complied with he shall record an entry of the statement in a register called the Register of Firms, and shall file the statement.

Recording of alterations in firm name and principal place of business.

60. (1) When an alteration is made in the firm name or in the location of the principal place of business of a registered firm, a statement may be sent to the Registrar accompanied by the prescribed fee, specifying the alteration, and signed and verified in the manner required under section 58.

(2) When the Registrar is satisfied that the provisions of sub-section (1) have been duly complied with, he shall amend the entry relating to the firm in the Register of Firms in accordance with the statement, and shall file it along with the statement relating to the firm filed under section 59.

Noting of closing and opening of branches.

61. When a registered firm discontinues business at any place or begins to carry on business at any place, such place not being its principal place of business, any partner or agent of the firm may send intimation thereof to the Registrar, who shall make a note of such intimation in the entry relating to the firm in the Register of Firms, and shall file the intimation along with the statement relating to the firm filed under section 59.

Noting of changes in names and addresses of partners.

62. When any partner in a registered firm alters his name or permanent address, an intimation of the alteration may be sent by any partner or agent of the firm to the Registrar, who shall deal with it in the manner provided in section 61.

Recording of changes in and dissolution of a firm.

63. (1) When a change occurs in the constitution of a registered firm any incoming, continuing or outgoing partner, and when a registered firm is dissolved any person who was a partner immediately before the dissolution, or the agent of any such partner or person specially authorised in this behalf, may give notice to the Registrar of such change or dissolution, specifying the date thereof; and the Registrar shall make a record of the notice in the entry relating to the firm in the Register of Firms, and shall file the notice along with the statement relating to the firm filed under section 59.

Recording of withdrawal of a minor.

(2) When a minor who has been admitted to the benefits of partnership in a firm attains majority and elects to become or not to become a partner, and the firm is then a registered firm, he, or his agent specially authorised

in this behalf, may give notice to the Registrar that he has or has not become a partner, and the Registrar shall deal with the notice in the manner provided in sub-section (1).

Rectification of mistakes.

64. (1) The Registrar shall have power at all times to rectify any mistake in order to bring the entry in the Register of Firms relating to any firm into conformity with the documents relating to that firm filed under this Chapter.

(2) On application made by all the parties who have signed any document relating to a firm filed under this Chapter, the Registrar may rectify any mistake in such document or in the record or note thereof made in the Register of Firms.

Amendment of Register by order of Court.

65. A Court deciding any matter relating to a registered firm may direct that the Registrar shall make any amendment in the entry in the Register of Firms relating to such firm which is consequential upon its decision; and the Registrar shall amend the entry accordingly.

Inspection of Register and filed documents.

66. (1) The Register of Firms shall be open to inspection by any person on payment of such fee as may be prescribed.

(2) All statements, notices and intimations filed under this Chapter shall be open to inspection, subject to such conditions and on payment of such fee as may be prescribed.

Grant of copies.

67. The Registrar shall on application furnish to any person, on payment of such fee as may be prescribed, a copy, certified under his hand, of any entry or portion thereof in the Register of Firms.

Rules of evidence.

68. (1) Any statement, intimation or notice recorded or noted in the Register of Firms shall, as against any person by whom or on whose behalf such statement, intimation or notice was signed, be conclusive proof of any fact therein stated.

(2) A certified copy of an entry relating to a firm in the Register of Firms may be produced in proof of the fact of the registration of such firm, and of the contents of any statement, intimation or notice recorded or noted therein.

Effect of non-registration.

69. (1) No suit to enforce a right arising from a contract or conferred by this Act shall be instituted in any Court by or on behalf of any person suing as a partner in a firm against the firm or any person alleged to be or to have been a partner in the firm unless the firm is registered and the person suing is or has been shown in the Register of Firms as a partner in the firm.

(2) No suit to enforce a right arising from a contract shall be instituted in any Court by or on behalf of a firm against any third party unless the firm is registered and the persons suing are or have been shown in the Register of Firms as partners in the firm.

(3) The provisions of sub-sections (1) and (2) shall apply also to a claim of set-off or other proceeding to enforce a right arising from a contract, but shall not affect—

(*a*) the enforcement of any right to sue for the dissolution of a firm or for accounts of a dissolved firm, or any right or power to realise the property of a dissolved firm, or

(*b*) the powers of an official assignee, receiver or Court under the Presidency-towns Insolvency Act, 1909, or the Provincial Insolvency Act, 1920, to realise the property of an insolvent partner.

III of 1900.
V of 1920.

(4) This section shall not apply—

(*a*) to firms or to partners in firms which have no place of business in British India, or whose places of business in British India are situated in areas to which, by notification under section 55, this Chapter does not apply, or

(*b*) to any suit or claim of set-off not exceeding one hundred rupees in value which, in the Presidency-towns, is not of a kind specified in section 19 of the Presidency Small Causes Courts Act, 1882, or, outside the Presidency-towns, is not of a kind specified in the Second Schedule to the Provincial Small Cause Courts Act, 1887, or to any proceeding in execution or other proceeding incidental to or arising from any such suit or claim.

XV of 1882.

IX of 1887.

Penalty for furnishing false particulars.

70. Any person who signs any statement, amending statement, notice or intimation under this Chapter containing any particular which he knows to be false or does not believe to be true, or containing particulars which he knows to be incomplete or does not believe to be complete, shall be punishable with imprisonment which may extend to three months, or with fine, or with both.

Power to make rules.

71. (1) The Governor-General-in-Council may make rules prescribing the fees which shall accompany documents sent to the Registrar of Firms, or which shall be payable for the

inspection of documents in the custody of the Registrar of Firms, or for copies from the Register of Firms:

Provided that such fees shall not exceed the maximum fees specified in Schedule I.

(2) The Local Government may make rules—

(*a*) prescribing the form of statement submitted under section 58, and of the verification thereof;

(*b*) requiring statements, intimations and notices under sections 60, 61, 62 and 63 to be in prescribed form, and prescribing the form thereof;

(*c*) prescribing the form of the Register of Firms, and the mode in which entries relating to firms are to be made therein, and the mode in which such entries are to be amended or notes made therein;

(*d*) regulating the procedure of the Registrar when disputes arise;

(*e*) regulating the filing of documents received by the Registrar;

(*f*) prescribing conditions for the inspection of original documents;

(*g*) regulating the grant of copies;

(*h*) regulating the elimination of registers and documents;

(*i*) providing for the maintenance and form of an Index to the Register of Firms; and

(*j*) generally, to carry out the purposes of this Chapter.

(3) All rules made under this section shall be subject to the condition of previous publication.

CHAPTER VIII.

SUPPLEMENTAL.

Mode of giving public notice.

72. A public notice under this Act is given—

(*a*) where it relates to the retirement or expulsion of a partner from a registered firm, or to the dissolution of a registered firm, or to the election to become or not to become a partner in a registered firm by a person attaining majority who was admitted as a minor to the benefits of partnership, by notice to the Registrar of Firms under section 63, and by publication in the local *Official Gazette* and in at least one vernacular newspaper circulating in the district where the firm to which it relates has its place or principal place of business, and

(*b*) in any other case, by publication in the local *Official Gazette* and in at least one vernacular newspaper circulating in the district where the firm to which it relates has its place or principal place of business.

Repeals.

73. The enactments mentioned in Schedule II are hereby repealed to the extent specified in the fourth column thereof.

Savings.

74. Nothing in this Act or any repeal effected thereby shall affect or be deemed to affect—

(*a*) any right, title, interest, obligation or liability already acquired, accrued or incurred before the commencement of this Act, or

(*b*) any legal proceeding or remedy in respect of any such right, title, interest, obligation or liability, or anything done or suffered before the commencement of this Act, or

(*c*) anything done or suffered before the commencement of this Act, or

(*d*) any enactment relating to partnership not expressly repealed by this Act, or

(*e*) any rule of insolvency relating to partnership, or

(*f*) any rule of law not inconsistent with this Act.

SCHEDULE I.

MAXIMUM FEES.

[*See* sub-section (1) of section 71.]

Document or act in respect of which the fee is payable.	Maximum fee.
Statement under section 58	Three rupees.
Statement under section 60	One rupee.
Intimation under section 61	One rupee.
Intimation under section 62	One rupee.
Notice under section 63	One rupee.
Application under section 64	One rupee.
Inspection of the Register of Firms under sub-section (1) of section 66.	Eight annas for inspecting one volume of the Register.
Inspection of documents relating to a firm under sub-section (2) of section 66.	Eight annas for the inspection of all documents relating to one firm.
Copies from the Register of Firms	Four annas for each hundred words or part thereof.

SCHEDULE II.

ENACTMENTS REPEALED.

(*See* section 73.)

Year.	No.	Short title.	Extent of repeal.
1	2	3	4
1872	IX	The Indian Contract Act 1872.	Exceptions 2 & 3 to section 27. The whole of Chapter XI.
1920	Burma Act VIII.	The Burma Registration of Business Names Act, 1920.	The whole.

SUGAR INDUSTRY (PROTECTION) ACT.

ACT NO. XIII OF 1932.

[PASSED BY THE INDIAN LEGISLATURE.]

(*Received the assent of the Governor-General on the 8th April* 1932.)

An Act to provide for the fostering and development of the sugar industry in British India.

WHEREAS it is expedient, in pursuance of the policy of discriminating protection of industries in British India with due regard to the well-being of the community, to provide for the fostering and development of the sugar industry for a period ending with the 31st day of March, 1946, by determining the extent of the protection to be conferred up to the 31st day of March, 1938, and by making provision for the determination of the extent of the protection to be conferred for the remainder of the period; It is hereby enacted as follows :—

Short title. 1. This Act may be called the Sugar Industry (Protection) Act, 1932.

2. (1) In the Second Schedule to the Indian Tariff Act, 1894, there shall be made the amendments specified in the Schedule to this Act. VIII of 1894.

Amendment of Schedule II, Act VIII of 1894.

(2) The amendments made by sub-section (1) shall have effect up to the 31st day of March, 1938.

3. The Governor-General-in-Council shall cause to be made, by such persons as he may appoint in this behalf, an inquiry to ascertain if the protection of the sugar industry during the period from the 31st day of March, 1938, to the 31st day of March 1946, should be continued to the extent conferred by this Act, or to a greater or lesser extent, and shall, not later than the 31st day of March, 1938, lay his proposals in this behalf before the Indian Legislature.

Statutory inquiry.

4. If the Governor-General-in-Council is satisfied, after such inquiry as he thinks fit, that sugar not manufactured in India is being imported into British India at such a price as is likely to render insufficient the benefits intended to be conferred upon the sugar industry by the duties imposed by section 2, he may, by notification in the *Gazette of India*, increase such duty to such extent as he thinks fit.

Power to increase duty imposed by section 2.

5. The Governor-General-in-Council may, by notification in the *Gazette of India*, make rules requiring the owners of sugar factories in British India to make such returns relating to the production of sugar in their factories as the Governor-General-in-Council may consider to be desirable, prescribing the form of such returns, the dates of their submission and the authority to which they shall be submitted.

Power to make rules requiring returns.

6. (1) The Local Government may, by notification in the local *Official Gazette*, make rules requiring that there shall be affixed, in conspicuous places near the entrances to sugar factories, notices for the information of sellers of sugar-cane, and such rules may prescribe the form and languages of such notices, and the particulars to be included therein relating to prices at which sugar-cane is being bought at the factory.

Power to make rules requiring notices of prices of sugarcane to be posted up in sugar factories.

(2) In making such rules the Local Government may provide that a contravention thereof shall be punishable with fine which may extend to five hundred rupees.

XII of 1911. *Explanation.*—In this section and in section 5 "factory" has the meaning assigned to it in clause (3) of section 2 of the Indian Factories Act, 1911.

THE SCHEDULE.

(*See* section 2.)

Amendments to be made in Schedule II to the Indian Tariff Act, 1894.

1. In Part II,—

(*a*) for the heading "SUGAR" and Item No. 34, the following heading and item shall be substituted, namely :—

"OTHER FOOD AND DRINK.

34	MOLASSES	*Ad valorem*	25 per cent."

(*b*) the heading "SACCHARINE" above Item No. 34-A shall be omitted ; and

(*c*) the heading "OTHER FOOD AND DRINK" above Item No. 35, shall be omitted.

2. In Part VII, after Item No. 156, the following heading and item shall be inserted, namely :—

" SUGAR.

			Rs. a.
157	SUGAR and sugar-candy, excluding confectionery.	Cwt.	7 4 "

3. Item No. 156A shall be re-numbered as Item No. 158.

4. In Part VII under the head " MISCELLANEOUS,"—

(*a*) in the first column, the figures " 157," " 158 " and " 159 " shall be omitted ;

(*b*) the heading " MATCHES, UNDIPPED SPLINTS AND VENEERS " shall be numbered as Item No. 159 ; and

(*c*) in the second column, the entries relating to " MATCHES," " UNDIPPED SPLINTS " and " VENEERS " shall be lettered, respectively, as sub-items (*a*), (*b*) and (*c*) of Item No. 159.

INDIAN TARIFF (WIRELESS BROADCASTING) AMENDMENT ACT.

ACT No. XV OF 1932.

[PASSED BY THE INDIAN LEGISLATURE.]

(*Received the assent of the Governor-General on the 8th April*, 1932.)

An Act to provide funds to enable Government to continue wireless broadcasting in India, by increasing the import duties leviable on wireless reception apparatus.

WHEREAS it is expedient to provide funds to enable Government to continue Wireless Broadcasting in India, by

increasing the import duties leviable on wireless reception apparatus; It is hereby enacted as follows :—

Short title.

1. This Act may be called the Indian Tariff (Wireless Broadcasting) Amendment Act, 1932.

VIII of 1894. Amendment of Schedule II Act VIII of 1894.

2. In Schedule II to the Indian Tariff Act, 1894—

(*a*) Item No. 43, shall be re-numbered as Item No. 42B; and

(*b*) after Item No. 42B, as so re-numbered, the following heading and item shall be inserted, namely :—

" HARDWARE, IMPLEMENTS AND INSTRUMENTS.

43	WIRELESS RECEPTION INSTRUMENTS AND APPARATUS, and component parts thereof, including all electric valves, amplifiers and loud-speakers which are not specially designed for purposes other than wireless reception or are not original parts of and imported along with instruments or apparatus so designed.	*Ad valorem* ..	50 per cent."

VIII of 1894. Bar of operation of section 4, Indian Finance (Supplementary and Extending) Act, 1931.

3. Notwithstanding anything contained in section 4 of the Indian Finance (Supplementary and Extending) Act, 1931, the additional duty of customs imposed by that section shall not be levied on wireless reception apparatus comprised in Item No. 43 of Schedule II to the Indian Tariff Act, 1894, as inserted by section 2 of this Act.

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1 This section came into effect on 12th March, 1932, by virtue of a declaration inserted in the Bill under the Provisional Collection of Taxes Act, 1931 (XVI of 1931).

TRADE DISPUTES (AMENDMENT) ACT.

ACT No. XIX OF 1932.

[AS PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor-General on the 30th September, 1932).

An Act to amend the Trade Disputes Act, 1929, for certain purposes.

WHEREAS it is expedient to amend the Trade Disputes Act, 1929, for the purposes hereinafter appearing; It is hereby enacted as follows :— VII of 1929.

Short title. 1. This Act may be called the Trade Disputes (Amendment) Act, 1932.

Amendment of section 13, Act VII of 1929. 2. In section 13 of the Trade Disputes Act, 1929,— VII of 1929

(*a*) in sub-section (1),—

(*i*) for the words "except with the consent in writing of the Secretary of the Trade Union or of the person, firm or company in question" the words "if the Trade Union, person, firm or company in question has preferred a request to the Court or Board that such information shall be treated as confidential" shall be substituted and

(*ii*) for the words "without such consent" the words "without the consent in writing of the Secretary of the Trade Union or the person, firm or company in question, as the case may be" shall be substituted;

(*b*) in sub-section (2), after the words " before a Court or Board " the word " wilfully " shall be inserted and

(*c*) after sub-section (2) the following sub-sections shall be inserted, namely :—

" (3) No Criminal Court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any offence under this section.

(4) No Criminal Court shall take cognizance of any offence under this section except with the previous sanction of the authority appointing such Court or Board ; and no Civil Court shall without the like sanction entertain any suit against a member of a Court or Board, or any person present at or concerned in the proceedings before a Court or Board, for any matter arising out of such proceedings."

INDIAN TARIFF (OTTAWA TRADE AGREEMENT) AMENDMENT ACT.

We, the undersigned, Members of the Select Committee to which the Bill further to amend the Indian Tariff Act 1894, for certain purposes, was referred, have considered the Bill, and have now the honour to submit this our Report with the Bill as amended by us annexed thereto.

2. Within the limitations imposed on us by the stipulated margin of preference we have endeavoured to reconcile, as far as possible, interests which may, in many cases, appear o conflict, namely, those of the primary producer, the

manufacturer, the consumer and the tax-payer. We have felt throughout our discussions the need for complete statistics of industrial production, giving detailed information regarding the various indigenous industries which might be affected by the proposals contained in the Bill. Since the rates of duty proposed by the Government were published, a certain number of representations have been received from Indian industries regarding the manner in which they expected the application of those rates to affect their interests, and in a very few cases personal representations have been made to us. In the majority of cases, however, we have had no other material to guide us than the information which the Government Departments concerned have been able to place before us. That information was necessarily incomplete, and we recommend that, as far as may be practicable, steps should be taken to collect and compile the statistics to which we have referred. We feel, however, that on the whole our recommendations represent an equitable adjustment of the margin of preference.

3. *Clause* 2.—We have inserted a proposed new sub-section (3B), containing the rule-making power previously included in proposed sub-section (3A) of the Bill, and adding thereto a further rule-making power which will enable the Governor-General-in-Council to provide machinery to facilitate the application of the new duties to goods on which preferential treatment is claimed, but which arrive before the necessary proof of origin has been received. This will happen very frequently when the Bill first comes into operation. We have made consequential amendments in proposed sub-section (3A). We consider that the Rules to be made under the sub-section should be laid on the table of the Assembly.

The Schedule.

4. In the proposed new Parts VIII and IX of Schedule II to the Act we have made the changes indicated below. The references are to Items in the Schedule as renumbered by us, except where otherwise indicated.

Items 176 *and* 177 *of the Schedule as introduced—Vegetable non-essential oils.*—A very large increase in imports of coconut oil into India has recently taken place and still continues. We consider that, particularly in the interests of Southern India, the coconut oil manufacturing industry is one of those which should be singled out for special treatment both for the sake of that industry itself and for that of the producer of coconuts. We have accordingly removed these items and have inserted the commodities covered by them in the proposed Part IX as Items Nos. 223 and 224, making them subject to a standard rate of duty of 35 per cent. and a preferential rate of 25 per cent. *ad valorem.*

Item 176—*Seeds.*—We have not altered the rates of the duty proposed to be applied to copra although some of us consider that in the interests of the grower of coconuts in Southern India the lower preferential rate of duty should be the existing rate of 25 per cent.

Item 181.—Among the chemicals covered by this item are certain of the materials required by the glass manufacturing industry which can only be obtained from countries other than the United Kingdom and the Colonies or of which a very large proportion must be obtained from such other countries. The proposal contained in the Bill would raise the duty by 5 per cent. *ad valorem* on

those materials, the effect of which, in the absence of competition from the United Kingdom, is likely to be to raise the price to the Indian glass manufacturer. It is the policy of the Government of India to keep the duty on materials of an Indian industry as low as possible, and we have therefore removed from this item the following chemicals :—

Cadmium sulphide,
Cobalt oxide,
Selenium,
Uranium oxide, and
Zinc oxide,

and have included them in Part IX as Item No. 228, making them subject to a standard rate of duty of 25 per cent. *ad valorem* (the existing rate) and a preferential rate of 15 per cent.

Item 187.—This item includes unexposed cinematograph films, which is a very important part of the material required by the Indian film industry. We consider that in this case also the preference should be given wholly by a reduction in the duty and have accordingly removed raw, or unexposed films from this item and placed them in Part IX as item No. 240, making the standard rate of duty on them 25 per cent. *ad valorem* (the existing rate) and the preferential rate 15 per cent. *ad valorem*.

Item 199—*Woollen goods.*—We heard representatives of the Cawnpore Woollen Manufacturing Industry, and, after careful consideration of the facts they were able to place before us, decided to give the preference on all articles included in this item, other than woollen yarn for weaving and knitting wool, wholly by increasing the existing duty.

The woollen manufactures comprised in this Item have therefore been placed in Part IX as Item No. 238 and made subject to a standard rate of duty of 35 per cent. *ad valorem* and to a preferential rate of 25 per cent.

We have made consequential amendments in Items Nos. 180 and 198.

Item 203 *of the Schedule as introduced—Asphalt.*—Much the larger proportion of imports of this commodity comes from countries other than British Colonies, and there appears to us to be considerable danger of the proposals made in the Bill having the effect of raising prices to the user in India of an article of considerable importance, particularly in the construction of roads. We have accordingly removed this item from Part VIII and included it in Part IX, as Item No. 239, making the standard rate of duty on it 25 per cent. *ad valorem* (the existing rate) and the preferential rate 15 per cent.

Item 214 *of the Schedule as introduced—Toilet Soap.*—Since the proposals made in the Bill were published, Government have received a large number of representations from the Indian Soap-making Industry in various parts of the country protesting against any decrease in the existing rate of duty applicable to toilet soap from the United Kingdom. We have very carefully considered these representations and are of the opinion that special treatment of this highly promising industry is justifiable. We have accordingly removed this item from Part VIII and placed it in Part IX as Item No. 242, making it subject to a standard rate of duty of 35 per cent. *ad valorem* and a preferential rate of 25 per cent. (the existing rate).

Item 222—*Lubricating Oil.*—The existing rate of duty on lubricating oil is 2 annas 1 pie per imperial gallon.

A large proportion of the imports of this commodity into India comes from countries other than the United Kingdom and, if the duty is raised as high as 3 annas per gallon on non-British oil, as proposed in the Bill, we consider that there will be considerable danger of raising the price to the consumer in India of a commodity essential for many industrial and other purposes. We have accordingly reduced the rates of duty to 2½ annas per gallon for the standard rate and half an anna for the preferential rate.

Item 230—*Motor omnibuses, chassis of motor omnibuses, motor vans and motor lorries.* In view of the importance of these articles to the development of road transport we consider that they should be treated in the same way as motor cars, and the preference on them given entirely by reducing the existing duty. We have accordingly changed the proposed rates of duty on all articles included in this item to a standard rate of 25 per cent. *ad valorem* and a preferential rate of 17½ per cent.

5. The Bill was published in the *Gazette of India Extraordinary* dated the 30th November, 1932.

6. We think that the Bill has not been so altered as to require republication and we recommend that it be passed as now amended :—

R. L. MITTER; J. W. BHORE; F. NOYCE; G. SCHUSTER; R. K. SHANMUKHAM CHETTY; C. S. RANGAIYER; K. P. THAMPAN; B. SITARAMA RAJU; A. SUHRAWARDY; H. P. MODY; R. M. CHINOY; F. E. JAMES; F. X. DESOUZA; WAJIHUDDIN; G. MORGAN; SANT SINGH; S. C. MITRA; N. R. GUNJAL AND ZIAUDDIN AHMED.

The 10th December, 1932.

INDIAN TARIFF (OTTAWA TRADE AGREEMENT) AMENDMENT ACT.

ACT No. XXV OF 1932.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor-General on the 23rd December, 1932.)

An Act further to amend the Indian Tariff Act, 1894, for certain purposes.

WHEREAS at the Imperial Economic Conference held at Ottawa, between the 21st day of July and the 20th day of August, 1932, the Government of India by their representatives made with His Majesty's Government in the United Kingdom by their representatives a Trade Agreement;

AND WHEREAS a Supplementary Agreement regarding iron and steel was likewise made by the said Governments;

AND WHEREAS in pursuance of the said Trade Agreement and the said Supplementary Agreement it is expedient to amend the Indian Tariff Act, 1894, in the manner hereinafter appearing;

VIII of 1894.

It is hereby enacted as follows:—

Short title and commencement.

1. (1) This Act may be called the Indian Tariff (Ottawa Trade Agreement) Amendment Act, 1932.

(2) It shall come into force on such date as the Governor-General-in-Council may, by notification in the *Gazette of India*, appoint.

VIII of 1894.

Amendment of section 3, Act VIII of 1894.

2. In section 3 of the Indian Tariff Act, 1894 (hereinafter referred to as the said Act), after sub-section (3), the following sub-sections shall be inserted, namely:—

"(3A) The duty to be levied and collected on any article chargeable under Part VIII or Part IX of the

Second Schedule shall be at the standard rate specified for it, unless a preferential rate is specified for such article if it is the produce or manufacture of the United Kingdom or of a British Colony, and the article is determined, in accordance with rules made under sub-section (3*B*), to be such produce or manufacture.

Explanation.—For the purposes of this section and of Parts VIII and IX of the Second Schedule, the expression "United Kingdom" means the United Kingdom of Great Britain and Northern Ireland and the expression "British Colony" includes a British Protectorate and any of the Mandated Territories of Tanganyika, the Cameroons under British Mandate and Togoland under British Mandate.

(3*B*) The Governor-General-in-Council may by notification in the *Gazette of India*, make rules—

(*a*) for determining if any article is the produce or manufacture of the United Kingdom or a British Colony ; and

(*b*) making provision, in cases where at the time of importation proof is not forthcoming where required in accordance with the rules made under clause (*a*) that any article is the produce or manufacture of the United Kingdom or a British Colony—

(*i*) whereby duty may be levied at the standard rate and a refund given of the extra duty paid if such proof is produced within a prescribed period, and

(*ii*) whereby duty may be accepted provisionally at the preferential rate on execution of a bond for the payment of the balance of duty if such proof is not

produced within a prescribed period, and for the recovery of any balance due after the expiry of the prescribed period as if such balance were duty short-levied within the meaning of section 39 of the Sea Customs Act, 1878."

VIII of 1878.

3. In the Second Schedule to the said Act, there shall be made the amendments specified in the Schedule to this Act.

Amendment of the Second Schedule. Act VIII of 1894.

4. (1) Notwithstanding anything contained in section 4 of the Indian Finance Act, 1931, the additional duties imposed by that section shall not be levied or collected on any articles chargeable with duty under Part VIII or Part IX of the said Schedule to the said Act as amended by section 3 of this Act.

Bar of operation of section 4, Indian Finance Act, 1931, and section 4, Indian Finance (Supplementary and Extending) Act, 1931.

(2) Notwithstanding anything contained in section 4 of the Indian Finance (Supplementary and Extending) Act, 1931, the additional duty imposed by that section shall not be levied or collected on iron or steel sheets comprised in Item No. 148A of the Second Schedule to the said Act as inserted by section 3 of this Act.

THE SCHEDULE.

(*See* Section 3.)

Amendments to the Second Schedule to the Indian Tariff Act, 1894.

1. In Item No. 27, the words " or dry " shall be omitted.

2. In Item No. 28, for the entry in the second column the following entry shall be substituted, namely :—

" PORTER, cider and other fermented liquors except ale and beer."

3. In Item No. 30,—

(*a*) in sub-item (1), the word "rum" shall be omitted;

(*b*) in sub-item (2), for the brackets and words "(other than drugs and medicines)" the words "not otherwise specified" shall be substituted; and

(*c*) sub-items (3) and (4) shall be omitted.

4. Item No. 36, shall be omitted.

5. In Item No. 41, sub-item (2) shall be omitted, and sub-item (3) shall be renumbered as sub-item (2).

6. In Item No. 41B, after the word "SHOES" the words "not otherwise specified" shall be added.

7. In Item No. 42,—

(*a*) sub-item (1) shall be omitted;

(*b*) in sub-item (2), for the entry in the second column the following entry shall be substituted, namely:—

"(2) Barrels, whether single or double, for firearms, including gas and air guns, gas and air rifles, and gas and air pistols, not otherwise specified"; and

(*c*) sub-items (2) to (8) shall be renumbered as sub-items (1) to (7).

8. For Item No. 42A, the following item shall be substituted, namely:—

"42A	MOTOR CYCLES and motor scooters and articles (other than rubber tyres and tubes) adapted for use as parts and accessories thereof except such articles as are also adapted for use as parts and accessories of motor cars.	*Ad valorem*	20 per cent."

9. Item No. 43, with the heading thereto, Item No. 46C, and Items Nos. 60, 61 and 62 with the heading thereto shall be omitted.

10. In Item No. 65, for the words "excluding salted fish (*see* No. 27)," the words "not otherwise specified" shall be substituted.

11. Item No. 67 with the heading thereto shall be omitted.

12. In Item No. 69, for the words "all sorts, excluding Vinegar in casks (*see* No. 48),"the words "all sorts not otherwise specified; including also the following articles if canned or bottled, namely, bacon, ham, biscuits, cakes, butter vegetable product, cheese, farinaceous and patent foods ghee, isinglass, jams, and jellies, lard, pickles, chutnies sauces and condiments" shall be substituted.

13. Item No. 71, with the heading thereto, and Item No. 72, shall be omitted.

14. In Item No. 74, the brackets, words and figures "(*see* No. 10B)" shall be omitted.

15. For Item No. 75, the following item shall be substituted, namely :—

"75	All sorts of ANIMAL and MINERAL OILS not otherwise specified, and the following NATURAL ESSENTIAL OILS, namely, almond, bergamot, gajupatti, camphor, cloves, eucalyptus, lavender, lemon, pottorose and pepermint."

16. Item No. 82, and Item No. 85, with the heading thereto shall be omitted.

17. For Item No. 87, the following item shall be substituted, namely :—

"87	TRAMCARS, passenger lifts, and all other sorts of conveyances not otherwise specified and component parts and accessories thereof; also motor vans and motor lorries imported complete."

18. For Item No. 88, the following item shall be substituted, namely :—

" 88	The following CHEMICALS, DRUGS and MEDICINES, namely acetic, carbolic, citric and oxalic acids, naphthalene, potassium chlorate and potassium cyanide, bicarbonate of soda, borax, sodium silicate, arsenic, calcium carbide glycerine, ferrous sulphate, lead, magnesium and zinc compounds not otherwise specified, aloes, asafoetida, cocaine sarsaparilla and storax."

19. For Items Nos. 89, 90, 90A, 90B and 91 the following items shall be substituted, namely :—

" 89	The following HARDWARE, IRONMONGERY and TOOLS, namely, agricultural implements not otherwise specified, buckets of tinned or galvanised iron, and pruning knives.
90	The following ELECTRICAL INSTRUMENTS, APPARATUS and APPLIANCES, namely, telegraphic and telephonic instruments, apparatus and appliances not otherwise specified, flash lights, carbons, condensers, and bell apparatus ; and switch-boards designed for use in circuits of less than ten *amperes* and at a pressure not exceeding 250 volts.
91	OPTICAL INSTRUMENTS, APPARATUS AND APPLIANCES."

20. In Item No. 92, the words " and paints and colours and painters' materials, all sorts " shall be omitted.

21. For Item No. 93, with the heading thereto the following item shall be substituted, namely :—

" 93	The following PAINTS, COLOURS and PAINTERS' MATERIALS, namely, barytes, reduced dry red lead and white lead, reduced dry zinc white and moist zinc white, turpentine, turpentine substitute, and varnish not containing dangerous petroleum within the meaning of the Indian Petroleum Act, 1899."

22. In Item No. 94, the words " earthenware, china and porcelain," shall be omitted.

23. After Item No. 94, the following item shall be inserted, namely :—

" 94A	EARTHENWARE pipes and sanitary ware."

24. For Item No. 95, the following item shall be substituted, namely :—

" 95	HIDES AND SKINS not otherwise specified, and the following LEATHER MANUFACTURES, namely, saddlery, harness, trunks and bags."

25. Item No. 96, with the heading thereto, and Item No. 97, with the heading thereto, shall be omitted.

26. In Item No. 98, after the word " specified " the words " including unwrought ingots, blocks and bars of aluminium, scrap copper, copper braziers and lead sheets for tea chests " shall be added.

27. Item No. 99, with the heading thereto shall be omitted.

28. In Item No. 100, for the words " Haberdashery and Millinery, excluding articles made of silk or artificial silk and silk or artificial silk mixtures " the words " Towels not in the piece " shall be substituted ; and for the words " Woollen yarn, knitting wool, and other manufactures of wool, including felt " the words " Woollen blankets and rugs other than floor-rugs " shall be substituted.

29. Item No. 102, shall be omitted.

30. For Item No. 103, the following item shall be substituted, namely :—

" 103	The following BUILDING AND ENGINEERING MATERIALS, namely, bricks, chalk, lime and clay."

31. Item No. 105, and Item No. 106, shall be omitted.

32. In Item No. 108, after the word "MATTINGS" the words "not otherwise specified" shall be added.

33. After Item No. 108, the following item shall be inserted, namely:—

"108A	NEWSPAPERS, old, in bales and bags."

34. Item No. 110, and Item No. 111, shall be omitted.

35. In Item No. 113, for the words "PITCH, TAR AND DAMMER" the words "PITCH AND TAR" shall be substituted.

36. For Item No. 115, the following item shall be substituted, namely:—

"115	SLATE PENCILS."

37. After Item No. 116, the following item shall be inserted, namely:—

"117	STRAWBOARD, all sorts."

38. Item No. 119, Item No. 122 and Item No. 124, shall be omitted.

39. In Item No. 124A, after the word "SPICES" the words "when not unground" shall be inserted.

40. In Item No. 126, for the words "subject to the exemptions specified in No. 12, all articles other than those specified in entries Nos. 42, 86A and 141" the words "save where otherwise specified, all articles" shall be substituted; and the words "which are dutiable as hardware under No. 90" shall be omitted.

41. Item No. 128A, shall be omitted.

42. For Item No. 129, the following item shall be substituted, namely :—

" 129	ARTICLES, other than cutlery and surgical instruments plated with gold or silver."	

43. For Item No. 130, the following item shall be substituted, namely :—

" 130	The following MUSICAL INSTRUMENTS, namely, complete organs and harmoniums and records for talking machines.	

44. Item No. 140, Item No. 141, and Item No. 141A, with the heading thereto, shall be omitted.

45. With effect to the 31st day of March 1934, for sub-item (*b*) of Item No. 148, the following sub-item shall be deemed to be substituted, namely :—

" (*b*)	not fabricated, all sorts not otherwise specified—	
	of British manufacture	Rs. 35 per ton.
	not of British manufacture ..	Rs. 59 per ton."

46. With effect to the 31st day of March, 1934, after Item No. 148, the following item shall be deemed to be inserted, namely :—

" 148A	IRON OR STEEL sheets (including cuttings, discs and circles) under $\frac{1}{8}$ inch thick, galvanized, not fabricated—	"
	of British manufacture—	
	(*i*) If made from Indian sheet bar ..	Rs. 30 per ton.
	(*ii*) if made from sheet bar other than Indian sheet bar	Rs. 53 per ton.
	not of British manufacture ..	Rs. 83 per ton."

47. After Part VII the following Parts shall be inserted namely:—

"PART VIII."

Articles which are liable to duty at 30 per cent. ad valorem or to preferential duty at 20 per cent.

No.	Names of articles.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
			The United Kingdom.	A British Colony.
1	2	3	4	5
	I.—Food, Drink and Tobacco.			
	FISH.			
161	FISH, UNSALTED, dry	30 per cent.	....	20 per cent.
	FRUITS AND VEGETABLES.			
162	FRUITS AND VEGETABLES, all sorts, fresh, dried, salted or preserved, not otherwise specified, including vanilla beans.	30 per cent.	....	20 per cent.
	PROVISIONS AND OILMAN'S STORES.			
163	COCOA and CHOCOLATE other than confectionery.	30 per cent.	20 per cent.	....
164	COFFEE, canned or bottled	30 per cent.	20 per cent.	20 per cent.
165	FISH, canned	30 per cent.	20 per cent.	20 per cent.
166	FRUIT JUICES	30 per cent.	20 per cent.	20 per cent.
167	FRUITS AND VEGETABLES, canned or bottled.	30 per cent.	20 per cent.	20 per cent.
168	MILK, condensed or preserved, including milk cream.	30 per cent.	20 per cent.	....
169	SAGO (excluding Sago flour) and TAPIOCA.	30 per cent.	....	20 per cent.
170	CANNED OR BOTTLED PROVISIONS, not otherwise specified.	30 per cent.	20 per cent.	....
	II.—Raw materials and produce and articles mainly unmanufactured.			
	GUMS AND RESINS.			
171	GUMS, Arabic, Benjamin (ras and cowrie) and Dammer (including unrefined batu) and resin.	30 per cent.	....	20 per cent.

"PART VIII"—*contd.*

No.	Names of articles.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
			The United Kingdom.	A British Colony.
1	2	3	4	5
	II.—Raw materials and produce and article mainly unmanufactured—*contd.*			
	OILS.			
172	The following NATURAL ESSENTIAL OILS, namely, citronella, cinnamon, and cinnamon leaf.	30 per cent.	20 per cent.	20 per cent.
173	NATURAL ESSENTIAL OILS, all sorts not otherwise specified.	30 per cent.	20 per cent.	....
174	ESSENTIAL OILS, synthetic	30 per cent.	20 per cent.	....
175	FISH OIL including whale oil ..	30 per cent.	20 per cent.	....
	SEEDS.			
176	OIL SEEDS, non-essential, all sorts not otherwise specified, including copra or cocoanut kernel.	30 per cent.	....	20 per cent.
	TEXTILE MATERIALS.			
177	SISAL and ALOE fibre	30 per cent.	....	20 per cent.
	WAX.			
178	BEESWAX	30 per cent.	....	20 per cent.
	MISCELLANEOUS.			
179	IVORY, unmanufactured	30 per cent.	....	20 per cent.
	III.—Articles wholly or mainly manufactured.			
	APPAREL.			
180	APPAREL, including hats, caps, bonnets and hatters' ware, second-hand clothing, drapery and uniforms and accoutrements, excluding articles made of wool, articles made of gold or silver thread or lamotta, articles made of silk or silk mixtures or of artificial silk or artificial silk mixtures, uniforms and accoutrements exempted from duty under No. 11, and boots and shoes; excluding also waterproofed clothing.	30 per cent.	20 per cent.	20 per cent.
	CHEMICALS, DRUGS AND MEDICINES.			
181	CHEMICALS, DRUGS, AND MEDICINES, all sorts not otherwise specified.	30 per cent.	20 per cent.	20 per cent.

"PART VIII"—*contd.*

No.	Names of articles.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
			The United Kingdom.	A British Colony.
1	2	3	4	5
	III.—Articles wholly or mainly manufactured—*contd.*			
	CONVEYANCES.			
182	CARRIAGES AND PARTS which are not mechanically propelled, not otherwise specified, and CYCLES (other than motor cycles) imported entire or in sections and parts and accessories thereof; excluding rubber tyres and tubes.	30 per cent.	20 per cent.	....
	CUTLERY, HARDWARE, IMPLEMENTS AND INSTRUMENTS.			
183	CUTLERY, all sorts not otherwise specified.	30 per cent.	20 per cent.	....
184	DOMESTIC REFRIGERATORS	30 per cent.	20 per cent.	....
185	HARDWARE, IRONMONGERY AND TOOLS all sorts not otherwise specified, excluding machine tools and agricultural implements.	30 per cent.	20 per cent.	....
186	The following ELECTRICAL INSTRUMENTS, APPARATUS AND APPLIANCES, namely:—			
	(*a*) ELECTRICAL CONTROL GEAR AND TRANSMISSION GEAR namely, switches (excluding switchboards), fuses and current-breaking devices of all sorts and descriptions, designed for use in circuits of less than ten *amperes* and at a pressure not exceeding 250 volts, and regulators for use with motors designed to consume less than 187 watts; bare or insulated copper wires and cables, any one core of which, not being one specially designed as a pilot core, has a sectional area of less than one-eightieth part of a square inch, and wires and cables of other metals of not more than equivalent conductivity; and line insulators, including also cleats, connectors, leading-in tubes and the like, of types and sizes such as are ordinarily used in connection with the transmission of power for other than industrial purposes, and the fittings thereof:	30 per cent.	20 per cent.	....

"PART VIII"—*contd.*

No.	Names of articles.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
			The United Kingdom.	A British Colony.
1	2	3	4	5
	III.—Articles wholly or mainly manufactured—*contd.*			
	CUTLERY, HARDWARE, IMPLEMENTS AND INSTRUMENTS—*contd.*—			
	(*b*) all other sorts of ELECTRICAL INSTRUMENTS, APPARATUS AND APPLIANCES not otherwise specified, excluding telegraphic and telephonic.	30 per cent.	20 per cent.	....
187	INSTRUMENTS, APPARATUS AND APPLIANCES other than electrical, all sorts not otherwise specified, including photographic, scientific, philosophical and surgical.	30 per cent.	20 per cent.	....
	DYES AND COLOURS.			
188	Cutch and gambier, all sorts	30 per cent.	....	20 per cent.
189	PAINTS, COLOURS AND PAINTER'S MATERIALS, all sorts not otherwise specified, including paints, solutions and compositions containing dangerous petroleum within the meaning of the Indian Petroleum Act, 1899.	30 per cent.	20 per cent.	....
190	PLUMBAGO AND GRAPHITE	30 per cent.	....	20 per cent.
	EARTHENWARE AND PORCELAIN.			
191	EARTHENWARE, CHINA AND PORCELAIN, all sorts not otherwise specified.	30 per cent.	20 per cent.	....
	FURNITURE AND CABINETWARE.			
192	FURNITURE AND CABINETWARE of all materials, excluding mouldings.	30 per cent.	20 per cent.	....
	LEATHER.			
193	SKINS, tanned or dressed, unwrought LEATHER, LEATHER CLOTH including artificial leather, and other MANUFACTURES OF LEATHER not otherwise specified.	30 per cent.	20 per cent.	....
	MACHINERY.			
194	MACHINERY and component parts thereof, meaning machines or parts of machines to be worked by manual or animal labour, not otherwise specified, and any machines (except such as are designed to be used exclusively in industrial processes) which require for their operation less than one-quarter of one brake-horse-power.	30 per cent.	20 per cent.	....

"PART VIII"—*contd.*

No.	Names of articles.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
			The United Kingdom.	A British Colony
1	2	3	4	5
	Articles wholly or mainly manufactured—*contd.*			
	METALS—IRON AND STEEL.			
195	All sorts of IRON AND STEEL AND MANUFACTURES thereof not otherwise specified.	30 per cent.	20 per cent.	....
	METALS OTHER THAN IRON AND STEEL.			
196	METALS and manufactures thereof, namely:—			
	(*a*) *Aluminium*—circles, sheets and other manufactures not otherwise specified.	30 per cent.	20 per cent.	....
	(*b*) *Brass, bronze* and similar alloys wrought, and manufactures thereof not otherwise specified.	30 per cent.	20 per cent.	....
	(*c*) *Copper wrought*, and manufactures of copper, all sorts not otherwise specified.	30 per cent.	20 per cent.	....
	(*d*) *German silver* including nickel silver.	30 per cent.	20 per cent.	....
	(*e*) *Lead wrought*—the following articles, namely, pipes and tubes and sheets other than sheets for tea chests.	30 per cent.	20 per cent.	....
	(*f*) *Zinc or spelter wrought* or manufactured not otherwise specified.	30 per cent.	20 per cent.	....
	PAPER, PASTEBOARD AND STATIONERY.			
197	PAPER AND ARTICLES MADE OF PAPER AND PAPIER MACHÉ; PASTEBOARD, MILL-BOARD AND CARD-BOARD, all sorts other than strawboard; and STATIONERY including drawing and copy books, labels, advertising circulars, sheet or card almanacs and calendars, Christmas, Easter, and other cards, including cards in booklet form; including also waste paper but excluding paper and stationery otherwise specified.	30 per cent.	20 per cent.	....
	YARNS AND TEXTILE FABRICS.			
198	HABERDASHERY AND MILLINERY, all sorts, including lace and embroidery, but excluding towels not in the piece and articles made of wool or of silk or artificial silk or of Silk or artificial silk mixtures.	30 per cent.	20 per cent.	....

"PART VIII"—*contd.*

No.	Names of articles.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
			The United Kingdom.	A British Colony.
1	2	3	4	5
	III.—Articles wholly or mainly manufactured.—*concld.*			
	YARNS AND TEXTILE FABRICS —*contd.*			
199	WOOLLEN YARN for weaving and KNITTING WOOL.	30 per cent.	20 per cent.	....
	MISCELLANEOUS.			
200	ASBESTOS MANUFACTURES, not otherwise specified.	30 per cent.	20 per cent.	....
201	BRUSHES, all sorts	30 per cent.	20 per cent.	....
202	BUILDING AND ENGINEERING MATERIALS, all sorts not of iron, steel or wood not otherwise specified, including CEMENT (excluding Portland cement other than white Portland cement), tiles other than glass tiles, and firebricks not being component parts of any articles included in No. 50A or No. 63.	30 per cent.	20 per cent.	....
203	BUTTONS, metal	30 per cent.	20 per cent.	....
204	COIR fibre, coir yarn and coir mats and matting.	30 per cent.	....	20 per cent.
205	CORDAGE, ROPE AND TWINE of vegetable fibre other than jute and cotton, not otherwise specified.	30 per cent.	20 per cent.	....
206	CORK MANUFACTURES not otherwise specified.	30 per cent.	20 per cent.	....
207	GLUE, all sorts other than clarified liquid glue.	30 per cent.	20 per cent.	....
208	OIL CLOTH AND FLOOR CLOTH	30 per cent.	20 per cent.	....
209	PACKING—engine and boiler—all sorts not otherwise specified.	30 per cent.	20 per cent.	....
210	RUBBER TYRES AND TUBES AND other MANUFACTURES OF RUBBER not otherwise specified, excluding apparel and boots and shoes.	30 per cent.	20 per cent.	....
211	TOILET REQUISITES not otherwise specified.	30 per cent.	20 per cent.	....
212	UMBRELLAS including parasols and sunshades, and fittings therefor.	30 per cent.	20 per cent.	....

PART IX.

Articles which are liable to duty at special rates or to preferential duty at lower rates :—

No.	Names of articles.	Unit or method of assessment.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
				The United Kingdom.	A British Colony.
1	2	3	4	5	6
	I.—Food, Drink and Tobacco.				
213	CONFECTIONERY	*Ad valorem* ..	50 per cent.	40 per cent.	..
	FISH.		Rs. a. p.	Rs. a. p.	Rs. a. p.
214	FISH, salted, dry	Cwt.	3 8 0	..	1 8 0
	LIQUORS.				
215	ALE AND BEER	In barrels or other containers containing 27 oz. or more, per Imperial gallon.	1 2 0	0 14 0	..
		In bottles containing less than 27 oz. but not less than 20 oz., per bottle.	0 3 0	0 2 4	..
		In bottles containing less than 13½ oz. but not less than 10 oz., per bottle.	0 1 6	0 1 2	..
		In bottles containing less than 6¾ oz. but not less than 5 oz., per bottle.	0 0 9	0 0 7	..
		In other containers, per Imperial gallon.	1 8 0	1 2 8	..
216	SPIRITS—				
	(1) Bitters—				
	(i) entered in such a manner as to indicate that the strength is not to be tested.	Imperial gallon.	50 0 0	..	45 0 0
	(ii) not so entered	Imperial gallon of the strength of London proof.	37 8 0	..	33 12 0

PART IX—*contd.*

No.	Names of articles.	Unit or method of assessment.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
				The United Kingdom.	A British Colony.
1	2	3	4	5	6
	I.—Food, Drink and Tobacco—contd.				
	LIQUORS—*contd.*		Rs. a. p.	Rs. a. p.	Rs. a. p.
	(2) Drugs and medicines containing spirit—				
	(*i*) entered in such a manner as to indicate that the strength is not to be tested.	Imperial gallon.	40 0 0	36 0 0	36 0 0
	(*i*) not so entered	Imperial gallon of the strength of London proof	29 0 0	26 0 0	26 0 0
	(3) Perfumed spirits	Imperial gallon	60 0 0	52 8 0	..
	(4) Rum	Imperial gallon of the strength of London proof.	37 8 0	..	33 12 0
	Provided that—				
	(*a*) on any article chargeable under this item with the lower rate of duty, the duty levied shall in no case be less than 20 per cent. *ad valorem*, and on any article chargeable under this item with the higher rate of duty, the duty levied shall in no case be less than 30 per cent. *ad valorem* :				
	(*b*) where the unit of assessment is the Imperial gallon of the strength of London proof, the duty shall be increased or reduced in proportion as the strength is greater or less than London proof.				
	SPICES.				
217	The following UNGROUND SPICES, namely :—				
	Cardamoms, cassia, cinnamon, cloves, nutmegs and pepper.	*Ad valorem* ..	45 per cent.	..	37½ per cent.
218	The following UNGROUND SPICES, namely :—				
	Chillies, ginger and mace ..	*Ad valorem* ..	30 per cent.	..	22½ per cent.

PART IX—*contd.*

No.	Names of articles.	Unit or method of assessment.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
				The United Kingdom.	A British Colony.
1	2	3	4	5	6
	I.—Food, Drink and Tobacco.—contd.				
	TEA				
210	TEA	Pound ..	5 annas ..	..	3 annas.
	OTHER FOOD AND DRINK.				
220	COFFEE not otherwise specified ..	*Ad valorem* ..	25 per cent. *plus* one anna per pound.	..	25 per cent.
	TOBACCO.				
221	TOBACCO, unmanufactured	Pound ..	Rs. 2 ..	..	Rs. 1-8-0.
	II.—Raw materials and produce and articles mainly unmanufactured.				
	OILS.				
222	MINERAL OIL which has its flashing point at or above two hundred degrees of the Fahrenheit thermometer by Abel's close test and is such as is not ordinarily used for any other purpose than for lubrication.	Imperial gallon.	Two annas and six pies.	Six pies ..	.. ..
223	The following VEGETABLE NON-ESSENTIAL OILS, namely, coconut, groundnut, and linseed.	*Ad valorem* ..	35 per cent.	..	25 per cent.
224	VEGETABLE NON-ESSENTIAL OILS not otherwise specified.	*Ad valorem* ..	35 per cent.	25 per cent.	25 per cent.
	III.—Articles wholly or mainly manufactured.				
	APPAREL.				
225	BOOTS AND SHOES composed mainly of leather.	*Ad valorem* ..	30 per cent. or 5 as. per pair, which-ever is higher.	20 per cent. or 5 annas per pair, which-ever is higher.	..
	ARMS, AMMUNITION AND MILITARY STORES.—				
226	CARTRIDGE CASES, filled and empty.	*Ad valorem* ..	50 per cent.	40 per cent.	..
227	Subject to the exemptions specified in No. 12—FIREARMS, including gas and air guns, gas and air rifles and gas and air pistols, not otherwise specified, but excluding parts and accessories thereof.	Each	Rs. 18-12-0 *plus* 10 per cent. *ad valorem*, or 50 per cent. *ad valorem*, which-ever is higher.	Rs. 18-12-0 or 40 per cent. *ad valorem*, which-ever is higher.	.. ..

PART IX—*contd.*

No.	Names of articles.	Unit or method of assessment.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
				The United Kingdom.	A British Colony.
1	2	3	4	5	6
	III.—Articles wholly or mainly manufactured—contd.				
	CHEMICALS, DRUGS AND MEDICINES.				
228	The following CHEMICALS, namely, cadmium sulphide, cobalt oxide, selenium, uranium oxide and zinc oxide.	*Ad valorem* ..	25 per cent.	15 per cent.	15 per cent.
	CONVEYANCES.				
229	MOTOR CARS including taxicabs and articles (other than rubber tyres and tubes) adapted for use as parts and accessories thereof provided that such articles as are ordinarily also used for other purposes than as parts and accessories of motor vehicles included in this item or in Nos. 42A and 231 shall be dutiable at the rate of duty specified for such articles.	*Ad valorem* ..	37½ per cent.	30 per cent.	..
230	MOTOR OMNIBUSES; CHASSIS OF MOTOR OMNIBUSES, MOTOR VANS and MOTOR LORRIES; and parts of mechanically propelled vehicles and accessories not otherwise specified, excluding rubber tyres and tubes and such parts and accessories of motor vehicles included in this item as are also adapted for use as parts and accessories of motor cars.	*Ad valorem* ..	25 per cent.	17½ per cent.	..
	CUTLERY, HARDWARE IMPLEMENTS AND INSTRUMENTS.				
231	CUTLERY PLATED with gold or silver.	*Ad valorem* ..	50 per cent.	40 per cent.	..
232	ELECTRIC LIGHTING BULBS	*Ad valorem* ..	50 per cent.	40 per cent.	..
233	MUSICAL INSTRUMENTS and parts thereof, all sorts not otherwise specified.	*Ad valorem* ..	50 per cent.	40 per cent.	..
234	WIRELESS RECEPTION INSTRUMENTS AND APPARATUS and component parts thereof, including all electric valves, amplifiers and loud speakers which are not specially designed for purposes other than wireless reception or are not original parts of and imported along with instruments or apparatus so designed.	*Ad valorem* ..	50 per cent.	40 per cent.	..

PART IX—*contd.*

No.	Names of articles.	Unit or method of assessment.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
				The United Kingdom.	A British Colony.
1	2	3	4	5	6
	III.—Articles wholly or mainly manufactured—contd.				
	METALS—IRON AND STEEL.				
235	IRON ALLOYS.	*Ad valorem* ..	20 per cent.	10 per cent.	..
	,, angle, channel and tee not otherwise specified.				
	,, bar and rod not otherwise specified.				
	,, pig.				
	,, rice bowls.				
236	Iron or steel ANCHORS AND CABLES.	*Ad valorem* ..	20 per cent.	10 per cent.	..
	,, ,, hoops and strips.				
	,, ,, nails and washers, all sorts not otherwise specified.				
	,, ,, pipes, and tubes; also fittings therefor, that is to say, bends, boots, elbows, tees, sockets, flanges, plugs, valves, cocks and the like, excluding pipes, tubes and fittings therefor otherwise specified.				
	Iron or steel RAILWAY TRACK MATERIALS not otherwise specified, including bearing plates, cast iron sleepers and lever boxes.				
	Iron or steel TRAMWAY TRACK MATERIALS not otherwise specified, including rails, fishplates, tie-bars, switches, crossings and the like materials of shapes and sizes specially adapted for tramway tracks.				
	Iron or steel SHEETS (including cuttings, discs and circles) under 1/8 inch thick, whether fabricated or not, if coated with metals other than tin or zinc.				
	Iron or steel PLATES AND SHEETS (including cuttings, discs and circles) not under 1/8 inch thick not otherwise specified, whether fabricated or not.				
	Iron or steel BARBED OR STRANDED FENCING-WIRE AND WIRE ROPE.				

PART IX—*contd.*

No.	Names of articles.	Unit or method of assessment.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
				The United Kingdom.	A British Colony.
1	2	3	4	5	6
	III.—Articles wholly or mainly manufactured—contd.				
	METALS—IRON AND STEEL—*contd.*				
	Iron or steel (other than bar or rod) specially designed for the reinforcement of concrete.	*Ad valorem*	20 per cent.	10 per cent.	..
	„ „ EXPANDED METAL.				
237	STEEL, angle and tee if galvanized, tinned or lead-coated.	*Ad valorem*	20 per cent.	10 per cent.	..
	„ (other than bars), alloys, crucibles, shear, blister and tub.				
	„ (other than bars) made for springs and cutting tools by any process.				
	„ ingots, blooms and billets, and slabs of a thickness of 1½ inches or more.				
	bar and rod, the following kinds—				
	(*a*) shapes specially designed for the reinforcement of concrete, if the smallest dimension is under ½ inch;				
	(*b*) all shapes and sizes, if—				
	(*i*) of alloy, crucible, shear, blister or tub steel, or				
	(*ii*) galvanized or coated with other metals, or				
	(*iii*) planished or polished, including bright steel shafting;				
	(*c*) other qualities, if of any of the following shapes and sizes—				
	(*i*) rounds not over 7/16 inch diameter.				
	(*ii*) squares not over 7/16 inch side,				
	(*iii*) flats, if under 1 inch wide and not over 1/8 inch thick,				
	(*iv*) flats not under 8 inches wide and not over ½ inch thick,				
	(*v*) ovals, if the dimension of the major axis is not less than twice that of the minor axis,				
	(*vi*) all other shapes, any size				

PART IX—*contd.*

No.	Names of articles.	Unit or method of assessment.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
				The United Kingdom.	A British Colony.
1	2	3	4	5	6
	III.—Articles wholly or mainly manufactured—concld.				
	TEXTILE FABRICS.				
238	WOOLLEN carpets, floor rugs, hosiery, piece-goods, shawls and other manufactures of WOOL not otherwise specified, including felt.	*Ad valorem* ..	35 per cent.	25 per cent.	..
	MISCELLANEOUS.				
239	ASPHALT	*Ad valorem* ..	25 per cent.	..	15 per cent.
240	CINEMATOGRAPH FILMS not exposed.	*Ad valorem* ..	25 per cent.	15 per cent.	..
241	PORTLAND CEMENT excluding white Portland cement.	Ton	Rs. 18-4-0	Rs. 13-12-0	..
242	SOAP, toilet	*Ad valorem* ..	35 per cent.	25 per cent.	..
243	SMOKERS' REQUISITES excluding tobacco and matches.	*Ad valorem* ..	50 per cent.	40 per cent.	..
244	TOYS, games, playing cards and requisites for games and sports, bird shot, toy cannons, air guns and air pistols for the time being excluded in any part of British India from the operation of all the prohibitions and directions contained in the Indian Arms Act, 1878, and bows and arrows.	*Ad valorem* ..	50 per cent.	40 per cent.	..
	MISCELLANEOUS AND UNCLASSIFIED.				
245	BETEL NUTS	*Ad valorem* ..	45 per cent.	..	37½ per cent.

TARIFFS.

The 24th December 1932.

No. 780-*T.* (11).—In exercise of the powers conferred by sub-section 3B of section 3 of the Indian Tariff Act, 1894 (VIII of 1894), and by section 22 of the General Clauses Act, 1897 (X of 1897), the Governor-General-in-Council is pleased to make the following Rules :—

Rules.

Short title. 1. These Rules may be called the Ottawa Trade Agreement Rules, 1932.

Application. 2. These Rules apply to goods consigned from the following countries, namely :—

(*a*) The United Kingdom of Great Britain and Northern Ireland, and

(*b*) The Colonies, British Protectorates, and territories under the British Mandate specified in the First Schedule.

Definitions. 3. In these Rules—

(*a*) " Act " means the Indian Tariff Act, 1894 ;

(*b*) " United Kingdom " means the United Kingdom of Great Britain and Northern Ireland ;

(*c*) " British Colony " means any country specified in the First Schedule ;

(*d*) " expenditure on material " means the cost to the manufacturer of the material at the factory or works, including containers but excluding Royalties ; and

(*e*) " factory or works cost " means the cost of production to the manufacturer at the factory or works and shall include the value of container and other forms of

interior packing ordinarily sold with the article when it is sold retail, but shall not include the manufacturer's or exporter's profit or the cost of exterior packing, carriage to port and other charges incidental to the export of the article subsequent to its manufacture.

4. No article shall be deemed to be the produce or manufacture of any country to which these Rules apply unless the Customs Collector is satisfied that it has been consigned from such country, and—

Conditions for admission at preferential rates.

(*a*) where the article is unmanufactured, that it has been grown or produced in such country, and

(*b*) where the article is manufactured,—

(*i*) that it has been wholly manufactured in such country from material produced in such country, or

(*ii*) that it has been wholly manufactured in such country from unmanufactured materials, or

(*iii*) that it has been partially manufactured in such country and the final process of manufacture has been performed in such country and that the expenditure on material produced and labour performed in such country in the manufacture of the article is not less than one quarter of the factory or works cost of the article in its finished state :

Provided that where the goods were consigned from a British Colony the material produced and labour performed in any other British Colony may be reckoned as though it were material produced or labour performed in the Colony from which the goods are consigned.

5. If the owner of any goods entered for home consumption claims that they are chargeable with a preferential rate of duty, but is unable at the time of entry to satisfy the Customs Collector that the goods fulfil the conditions laid down in Rule 4, the Customs Collector—

Customs House procedure for goods entered for home consumption.

(*i*) shall levy and collect the duty at the standard rate, and, if at any time within a period of three months from the date

of payment of duty at the standard rate he receives an application in this behalf from the owner of the goods and is duly satisfied that the goods are entitled to entry at the preferential rate, shall make a refund to the owner of the extra duty levied ; or

(*ii*) may, in his discretion, levy and collect the duty provisionally at the preferential rate, subject to the execution by the owner of the goods of a bond in one of the firms prescribed in the Second Schedule binding himself to pay the balance of the duty.

Customs House procedure for goods entered for warehousing.

6. (1) If the owner of any goods entered for warehousing claims that they are chargeable with a preferential rate of duty, but is unable at the time of entry to satisfy the Customs Collector that the goods fulfil the conditions laid down in Rule 4, the Customs Collector shall assess duty at the standard rates.

(2) If the Customs Collector is satisfied before the goods are removed from the warehouse that they are chargeable with a preferential rate of duty, he shall reassess them accordingly at the time of such removal.

(3) If the goods are removed from the warehouse without the Customs Collector being so satisfied, they may be dealt with in the manner prescribed in Rule 5.

Power to levy unpaid balances as duty short-levied.

7. Where any payment of duty due under a bond has not been made in accordance therewith, and upon demand being made, the Customs Collector may, in his discretion and without prejudice to his power to enforce the bond, recover the amount due at any time as if it were duty short-levied within the meaning of section 39 of the Sea Customs Act.

FIRST SCHEDULE.

[See Rules 2(*b*) and 3(*c*).]

List of British Colonies.

East Africa.

1. Kenya, Uganda, Protectorate, and the Mandated Territory of Tanganyika.
2. Northern Rhodesia.
3. Nyasaland Protectorate.
4. Somaliland Protectorate.
5. Zanzibar Protectorate.

South Africa (including St. Helena.)

6. Basutoland.
7. Bechuanaland Protectorate.
8. Swaziland.
9. St. Helena.

West Africa.

10. Gambia.
11. Gold Coast.
12. Togoland under British Mandate.
13. Nigeria.
14. The Cameroons under British Mandate.
15. Sierra Leone.

Eastern and Far Eastern.

16. Ceylon.
17. Hong-Kong.
18. Federated Malay States.
19. Unfederated Malay States, *i.e.*, Johore, Kedah, Kalantan, Perlis and Trengganu.
20. Mauritius.
21. North Borneo.
22. Sarawak.
23. Seychelles.
24. Straits Settlements.

Mediterranean.

25. Cyprus.
26. Gibraltar.
27. Malta.

Pacific.

28. British Solomon Islands Protectorate.
29. Fiji.
30. Gilbert and Ellice Islands.
31. Tonga.
32. New Hebrides (Condominium).

West Indian (including the Falkland Islands.)

33. Bahamas.
34. Barbados.
35. Bermuda.
36. British Guiana.
37. British Honduras.
38. Jamaica.
39. Cayman Islands.
40. Turks and Caicos Islands.
41. Leeward Islands, *i.e.*, Antigua, Dominica, Montserrat, St. Christopher-Nevis and the Virgin Islands.
42. Trinidad and Tobago.
43. Windward Islands, *i.e.*, Grenada, St. Lucia and St. Vincent.
44. Falkland Islands.

SECOND SCHEDULE.

[See Rule 5 (*ii*)].

FORM A.

KNOW ALL MEN by these presents that $\frac{\text{I}}{\text{we}}$, $\frac{\text{of}}{\text{of}}$ and $\frac{\text{am}}{\text{are}}$ held and firmly bound unto the Right Honourable the Secretary of State for India in Council in the sum of Rs. to be paid to the said Secretary of State in Council, his successors or assigns for which payment, well and truly to be made $\frac{\text{I}}{\text{we}}$ bind $\frac{\text{myself}}{\text{ourselves}}$ and each of us $\frac{\text{my}}{\text{our}}$ and each of our heirs and legal representatives firmly by these presents sealed with $\frac{\text{my}}{\text{our}}$ respective seals dated this day of 19 .

WHEREAS $\frac{\text{I am}}{\text{we are}}$ the importer (s) of the goods named below which to the best of $\frac{\text{my}}{\text{our}}$ belief fulfil the conditions laid down by the rules made under sub-section 3B of section 3 of the Indian Tariff Act 1894 for determining their eligibility to a preferential rate of duty under Part VIII or Part IX of the Second Schedule to that Act AND WHEREAS $\frac{\text{I}}{\text{we}}$ have not been able to produce at the time of making entry of such goods at the Custom House evidence to satisfy the Customs Collector that those conditions are fulfilled AND WHEREAS the Customs Collector has agreed provisionally to accept duty at the preferential rate pending the production of such evidence and $\frac{\text{I}}{\text{we}}$ have agreed that if such evidence is not presented to the Customs Collector within three months of the date of this bond or being so presented is not accepted by him as satisfactory $\frac{\text{I}}{\text{we}}$ will pay to the Customs Collector on demand the difference between the duty paid at the preferential rate and the duty leviable at the standard rate on the said goods. NOW the condition of this bond is such that if the necessary evidence as aforesaid shall be produced to the Customs Collector within the said period and he shall accept such evidence as satisfactory or if $\frac{\text{I}}{\text{we}}$ shall pay on demand the difference between

the duty paid at the preferential rate and the duty leviable at the standard rate on the said goods, then the above written bond shall be void otherwise the same shall be and remain in full force and virtue.

Signed, sealed and delivered by the abovenamed in the presence of }

SECOND SCHEDULE.

FORM B.

KNOW ALL MEN by these presents that I/we of and am/are held and firmly bound unto the Right Honourable the Secretary of State for India in Council in the sum of Rs. to be paid to the said Secretary of State in Council his successors or assigns for which payment well and truly to be made I/we bind myself/ourselves and each of us my/our and each of our heirs and legal representatives firmly by these presents sealed with my/our respective seals, dated this day of 19 .

WHEREAS I am/we are a regular importer (s) of goods which fulfil the conditions laid down by the rules made under sub-section (3B) of section 3 of the Indian Tariff Act, 1894, for determining their eligibility to preferential rates of duty under Part VIII or Part IX of the Second Schedule to that Act AND WHEREAS it is likely that from time to time I/we may not be able to produce at the time of making entry of goods at the Customs House evidence to satisfy the Customs Collector that those conditions are fulfilled and that the goods, particulars of which are contained in the bill of entry are assessable to customs duty at the preferential rate AND WHEREAS the Customs Collector at has agreed that if, having regard to the nature or particulars of such goods as detailed in such bill of entry, he is of opinion that it is likely that the necessary evidence is capable of being produced to satisfy him that the goods are entitled to be assessed for

customs duty at the preferential rate he will provisionally accept duty on such goods at the preferential rate pending the production by $\frac{me}{us}$ of the necessary evidence, and $\frac{I}{we}$ have undertaken that in every such case $\frac{I}{we}$ will within three months from the date of making entry of such goods present such evidence to the Customs Collector and that if such evidence is not in every case presented within the period aforesaid or if being presented it is not accepted by the Customs Collector $\frac{I}{we}$ will forthwith on demand pay to the Customs Collector the difference between the duty paid on such goods at the preferential rate and the duty leviable at the standard rate AND WHEREAS it has been further agreed with the Customs Collector that the security given by these presents shall cover a total sum representing the difference between such rates of duty of Rs. $\frac{X}{2}$ and that if and whenever the total unadjusted claims by the Customs Collector against $\frac{me}{us}$ in respect of such unpaid duty shall amount to more than Rs. $\frac{X}{2}$ the Customs Collector may refuse to consider the possibility of evidence being procurable though not available at the time of making entry of any further goods unless $\frac{I}{we}$ shall offer to the Customs Collector and he shall be willing to accept a further bond in similar terms hereto for such amount as the Customs Collector shall decide NOW the condition of the above written bond or obligation is such that if the necessary evidence as aforesaid shall be produced to the Customs Collector within three months from the respective dates of making the entry from time to time of any such goods and the Customs Collector shall accept such evidence or if the difference between the duty paid on any such goods at the preferential rate and the duty leviable at the standard rate shall from time to time be paid by $\frac{me}{us}$ on the demand of the Customs Collector than the above written bond or obligation shall be void; otherwise the same shall be and remain in full force and virtue.

Signed, sealed and delivered by the abovenamed in the presence of }

TOBACCO DUTY (TOWN OF BOMBAY) AMENDMENT ACT.

BOMBAY ACT NO. I OF 1932.

(First published, after having received the assent of the Governor-General, in the "Bombay Government Gazette" on the 30th March 1932.)

An Act to amend the Tobacco Duty (Town of Bombay) Act, 1857.

WHEREAS it is expedient to amend the Tobacco Duty (Town of Bombay) Act, 1857, for the purpose hereinafter appearing; And whereas the previous sanction of the Governor required by section 80C of the Government of India Act, has been obtained for the passing of this Act; It is hereby enacted as follows:— IV of 1857. 5 & 6 Geo. V, c. 61.

Short title.

1. This Act may be called the Tobacco Duty (Town of Bombay) Amendment Act, 1932.

Commencement and duration.

2. This Act shall come into force on the 19th day of March 1932, and shall remain in force for 10 years in the first instance, but Government may extend it for a further period not exceeding 10 years by a notification in the *Bombay Government Gazette*.

Amendment of section 2 of IV of 1857.

3. In section 2 of the Tobacco Duty (Town of Bombay) Act, 1857, hereinafter referred to as the said Act, for the words "seven rupees and eight annas" the words "thirty rupees" shall be substituted. IV of 1875.

Amendment of sections 8 and 9 of IV of 1857.

4. In sections 8 and 9 of the said Act for the words "four seers" the words "half a seer" shall be substituted.

BOMBAY FINANCE ACT.

BOMBAY ACT NO. II OF 1932.

(First published, after having received the assent of the Governor-General, in the "Bombay Government Gazette" on the 30th March 1932.)

An Act to provide for the levy of a duty on consumption of electrical energy for the purpose of lights and fans in the Presidency of Bombay and to amend the Court-fees Act, 1870, and the Indian Stamp Act, 1899, in their application to the said Presidency.

WHEREAS it is expedient to provide for the levy of a duty on consumption of electrical energy for the purpose of lights and fans in the Presidency of Bombay and to amend the Court-fees Act, 1870, and the Indian Stamp Act, 1899, in their application to the said Presidency for the purposes hereinafter appearing; And whereas the previous sanction of the Governor-General required by sub-section (3) of section 80A, of the Government of India Act and the previous sanction of the Governor required by section 80C of the said Act have been obtained for the passing of this Act; It is hereby enacted as follows:—

VII of 1870. II of 1899. 5 & 6 Geo. V. c. 61.

PART I.

PRELIMINARY.

Short title.

1. This Act may be called the Bombay Finance Act, 1932.

Extent and commencement and duration.

2. (1) Except where it is otherwise provided in this Act, this Act extends to the whole of the Presidency of Bombay.

(2) It shall come into force on the 1st day of April 1932.

(3) This section and sections 3 to 15 containing Parts II, III and IV shall remain in operation for one year from the date on which this Act comes into force.

PART II.

ELECTRICITY DUTY.

Extent of Part II.

3. This Part extends to the whole of the Presidency of Bombay except Aden.

Definitions.

4. In this Part, unless there is anything repugnant in the subject or context,

(*a*) "consumer" means any person who is supplied with energy by a licensee;

(*b*) "energy" means electrical energy when generated, transmitted, supplied or used for any purpose except the transmission of a message;

(*c*) "licensee" means any person licensed under Part II, of the Indian Electricity Act, 1910, to supply energy and includes any person who has obtained the sanction of the Local Government under section 28 of that Act; IX of 1910.

(*d*) "prescribed" means prescribed by rules made under this Part.

Duty on units of energy consumed.

5. There shall be levied and paid to the Government of Bombay, on the units of energy consumed for the purpose of lights and fans excluding losses of energy in transmission and transformation, a duty (hereinafter referred to as "electricity duty") at the rates specified in the first schedule to this Part:

Provided that electricity duty shall not be leviable on the units of energy consumed by Government or by or in

respect of any local authority, railway administration, tramway company, industrial undertaking, institution or class of persons specified in the second schedule to this Part, except to the extent specified therein.

Payment of electricity duty.

6. (1) Every licensee shall collect and pay to the Government, at the time and in the manner prescribed, the proper electricity duty payable under this Part on the units of energy supplied by him to consumers. The duty so payable shall be a first charge on the amount recoverable by the licensee for the energy supplied by him, and shall be a debt due by him to the Government :

Provided that where the licensee has been unable to recover his dues for the energy supplied by him he shall not be liable to pay the duty in respect of the energy so supplied.

(2) Where any person fails or neglects to pay, at the time and in the manner prescribed, the amount of electricity duty due from him, the licensee may, without prejudice to the right of Government to recover the amount under section 9, and after giving not less than seven clear days' notice in writing to such person, cut off the supply of energy to such person ; and he may, for that purpose, exercise the power conferred on a licensee by sub-section (1) of section 24 of the Indian Electricity Act, 1910, for recovery of any charge or sum due in respect of energy supplied by him.

IX of 1910.

(3) The licensee shall be entitled, for his cost of collection of the duty, to a rebate of such percentage as may be determined by the Government on the amount of the duty collected and paid by him under sub-section (1).

Licensee to keep books of accounts and submit returns.

7. Every licensee shall, unless he is exempt from payment of electricity duty under the proviso to section 5, keep books of account in the prescribed form and submit to the Government or to the prescribed officer returns in such form and at such times as may be prescribed, showing the units of energy supplied by him to each consumer or consumed by him as the case may be, and the amount of the duty payable thereon and recovered or paid by him under section 6.

Inspecting Officers.

8. The Government may, by notification in the *Bombay Government Gazette*, appoint inspecting officers to inspect the prescribed books of accounts of licensees. Such officers shall perform such duties and exercise such powers as may be prescribed for the purpose of carrying into effect the provisions of this Part and the rules made thereunder.

Recoveries.

9. Any sum due on account of electricity duty, if not paid at the time and in the manner prescribed, shall be recoverable, at the discretion of Government, either from the consumer, or, subject to the proviso to section 6 (1), from the licensee, and either through a civil court or as an arrear of land revenue.

Penalties.

10. If any person liable under section 7 to keep books of account or to submit returns fails to keep or submit the same in the manner prescribed or obstructs an inspector in the exercise of his powers and duties under this Part and the rules thereunder or contravenes any rule made under section 11, he shall, on conviction, be punishable with fine which may extend to fifty rupees.

Power to make rules.

11. (1) The Government may make rules, not inconsistent with the provisions of this Part, for the purpose of carrying into effect the provisions of this Part.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may—

(*a*) prescribe the time and manner of payment of the electricity duty under section 6 ;

(*b*) prescribe the form of the books of account to be kept and the times at which, the form in which and the officers to whom the returns required by section 7 shall be submitted ;

(*c*) prescribe the powers and duties of inspecting officers ; and

(*d*) provide for any other matter for which there is no provision or insufficient provision in this Part and for which provision is, in the opinion of the Government, necessary for giving effect to the provisions of this Part.

(3) The making of rules under this section shall be subject to the condition of previous publication. Such rules shall be laid on the table of the Bombay Legislative Council for one month previous to the next session thereof and shall be liable to be rescinded or modified. If any rule is modified, the Government may accept the modification and re-issue the rule accordingly or may rescind the rule.

FIRST SCHEDULE.

(*See* Section 5.)

For lights and fans.

(*a*)	In respect of all premises not falling under clause (*b*) and not exempted under the proviso to section 5 and the Second Schedule.	Six pies for each unit of energy consumed.
(*b*)	In respect of all premises not exempted under the proviso to section 5 and the Second Schedule, when flat rates are charged by the licensee, for	

	Annas per mensem.
every lamp of less than 30 watts.	2
every lamp of 30 watts or more but less than 40	3
every lamp of 40 watts or more but less than 60	4
every lamp of 60 watts or more but not exceeding 100 ..	6
and for every additional 15 watts or fraction thereof in excess of 100 in any lamp ..	1

Explanation.—In calculating the rate of duty under clause (*b*) every 10 watts shall be presumed to have consumed one and half units during a month.

SECOND SCHEDULE.

(*See* Section 5, proviso.)

Exemptions.

(1) Government, save in respect of premises used for residential purposes;

IX of 1890. (2) a railway administration as defined in clause (6) of section 3 of the Indian Railways Act, 1890, save in respect of premises used for residential purposes;

(3) a local authority, save in respect of premises used for residential purposes;

(4) a tramway company, save in respect of premises used for residential and office purposes;

(5) an industrial undertaking, save in respect of premises used for residential and office purposes;

(6) a hospital or dispensary which is not maintained for private gain;

(7) any consumer using not more than twelve units in any one month.

Explanation (1).—For the purpose of exemption (5)—

(*a*) "industrial undertaking" means all buildings or premises wherein or within the precincts of which any manufacturing process is carried on; and

XII of 1911. (*b*) "manufacturing process" has the meaning assigned to it by section 2 (4) of the Indian Factories Act, 1911.

Explanation (2).—For the purpose of exemption (7)—

(*a*) "consumer" shall be deemed to include a landlord or a person who shall supply electrical energy to

one or two roomed tenements in any one building in respect of any one of which tenements not more than twelve units of energy shall have been consumed during any one month; and

(*b*) whether more than twelve units shall have been used by or in respect of any one tenement during any one month shall be determined by dividing the number of units used by the number of tenements in that building."

PART III.

COURT-FEES.

Amendment of section 7 of VII of 1870.

12. In section 7 of the Court-fees Act, 1870, in its application to the Presidency of Bombay, in this Part referred to as the said Act,— VII of 1870.

(*a*) to clause (*d*) of paragraph (*iv*) the words "or other consequential relief" shall be added;

(*b*) after the word "appeal" in paragraph (*iv*) the words "with a minimum fee of rupees five in the case of suits falling under clause (*c*)" shall be inserted; and

(*c*) in clause (1), (2) and (3) of the proviso to paragraph (*v*) for the words "five," "ten" and "ten" the words "seven and a half," "fifteen" and "fifteen" shall, respectively, be substituted.

Amendment of Schedule I to VII of 1870.

13. For articles 1, 8, 11, 12 and 12-A of, and the Table of rates of *ad valorem*

fees in Schedule I to the said Act the following shall be substituted, namely:—

SCHEDULE I.

Ad Valorem Fees.

Number.	——	Proper fee.
1. Plaint, written statement pleading a set off or counterclaim or memorandum of appeal (not otherwise provided for in this Act) or of cross-objection presented to any Civil or Revenue Court except those mentioned in section 3.	When the amount or value of the subject-matter in dispute does not exceed five rupees.	Six annas.
	When such amount or value exceeds five rupees, for every five rupees, or part thereof, in excess of five rupees, up to one hundred rupees.	Six annas.
	When such amount or value exceeds one hundred rupees, for every ten rupees, or part thereof, in excess of one hundred rupees, up to one thousand rupees.	Twelve annas.
	When such amount or value exceeds one thousand rupees, for every one hundred rupees, or part thereof, in excess of one thousand rupees, up to five thousand rupees.	Five rupees.
	When such amount or value exceeds five thousand rupees, for every two hundred and fifty rupees, or part thereof, in excess of five thousand rupees, up to ten thousand rupees.	Fifteen rupees.
	When such amount or value exceeds ten thousand rupees, for every five hundred rupees, or part thereof, in excess of ten thousand rupees, up to twenty thousand rupees.	Twenty-two rupees and eight annas.
	When such amount or value exceeds twenty thousand rupees, for every one thousand rupees, or part thereof, in excess of twenty thousand rupees, up to thirty thousand rupees.	Thirty rupees.

Number.	——	Proper fee.
	When such amount or value exceeds thirty thousand rupees, for every two thousand rupees, or part thereof, in excess of thirty thousand rupees, up to fifty thousand rupees.	Thirty rupees.
	When such amount or value exceeds fifty thousand rupees, for every five thousand rupees, or part thereof, in excess of fifty thousand rupees.	Thirty rupees.
	Provided that the maximum fee leviable on a plaint or memorandum of appeal shall be ten thousand rupees.	
8. Copy of any document liable to stamp-duty under the Indian Stamp Act, 1899, when left by any party to a suit or proceeding in place of the original withdrawn.	(*a*) When the stamp-duty chargeable on the original does not exceed one rupee.	The amount of the duty chargeable on the original.
	(*b*) In any other case	One rupee.
11. Probate of a will or letters of administration with or without will annexed.	When the amount or value of the property in respect of which the grant of probate or letters is made exceeds one thousand rupees, on the part of the amount or value in excess of one thousand rupees, up to ten thousand rupees.	Two per centum.
	When the amount or value of the property in respect of which the grant of probate or letters is made exceeds ten thousand rupees, on the part of the amount or value in excess of ten thousand rupees, up to fifty thousand rupees.	Three per centum.
	When the amount or value of the property in respect of which the grant of probate or letters is made exceeds fifty thousand rupees, on the part of the amount or value in excess of fifty thousand rupees, up to one lakh of rupees.	Four per centum.

11 of 1899

Number.	——	Proper fee.
	When the amount or value of the property in respect of which the grant of probate or letters is made exceeds one lakh of rupees, on the part of the amount or value in excess of one lakh of rupees, up to two lakhs of rupees.	Four and a half per centum.
	When the amount or value of the property in respect of which the grant of probate or letters is made exceeds two lakhs of rupees, on the part of the amount or value in excess of two lakhs of rupees, up to two lakhs and fifty thousand rupees.	Five per centum.
	When the amount or value of the property in respect of which the grant of probate or letters is made exceeds two lakhs and fifty thousand rupees, on the part of the amount or value in excess of two lakhs and fifty thousand rupees, up to three lakhs of rupees.	Five and a half per centum.
	When the amount or value of the property in respect of which the grant of probate or letters is made exceeds three lakhs of rupees, on the part of the amount or value in excess of three lakhs of rupees, up to four lakhs of rupees.	Six per centum.
	When the amount or value of the property in respect of which the grant of probate or letters is made exceeds four lakhs of rupees, on the part of the amount or value in excess of four lakhs of rupees, up to five lakhs of rupees.	Six and a half per centum.

Number.	——	Proper fee.	
	When the amount or value of the property in respect of which the grant of probate or letters is made exceeds five lakhs of rupees, on the part of the amount or value in excess of five lakhs of rupees.	Seven per centum.	
	Provided that when, after the grant of a certificate under Part X of the Indian Succession Act, 1925, or under Bombay Regulation VIII of 1827, in respect of any property included in an estate, a grant of probate or letters of administration is made in respect of the same estate, the fee payable in respect of the latter grant shall be reduced by the amount of the fee paid in respect of the former grant.		XXXIX of 1925.
12. Certificate under Part X of the Indian Succession Act, 1925.	....	The fee leviable in the case of a probate (article 11) on the amount or value of any debt or security specified in the certificate under section 374 of the Act, and one and a half times ~~this fee~~ on the amount or value of any debt or security to which the certificate is extended under section 376 of the Act.	XXXIX of 1925.
		Note.—(1) The amount of a debt is its amount, including interest on the day on which the inclusion of the debt in the certificate is applied for, so far as such amount can be ascertained.	

Number.	——	Proper fee.
		(2) Whether or not any power with respect to a security specified in a certificate has been conferred under the Act; and where such a power has been so conferred, whether the power is for the receiving of interest or dividends on, or for the negotiation or transfer of the security, or for both purposes, the value of the security is its market-value on the day on which the inclusion of the security in the certificate is applied for, so far as such value can be ascertained.
12-A. Certificate under Bombay Regulation VIII of 1827.	....	The fee leviable in the case of a probate (article 11) on the amount or value of the property in respect of which the certificate is granted.

Table of rates of ad valorem *fees leviable on the institution of suits :—*

When the amount or value of the subject-matter exceeds—	But does not exceed—	Proper fee	When the amount or value of the subject-matter exceeds—	But does not exceed—	Proper fee.
Rs.	Rs.	Rs. a.	Rs.	Rs.	Rs. a.
....	5	0 6	340	350	26 4
5	10	0 12	350	360	27 0
10	15	1 2	360	370	27 12
15	20	1 8	370	380	28 8
20	25	1 14	380	390	29 4
25	30	2 4	390	400	30 0
30	35	2 10	400	410	30 12
35	40	3 0	410	420	31 8
40	45	3 6	420	430	32 4
45	50	3 12	430	440	33 0
50	55	4 2	440	450	33 12
55	60	4 8	450	460	34 8
60	65	4 14	460	470	35 4
65	70	5 4	470	480	36 0
70	75	5 10	480	490	36 12
75	80	6 0	490	500	37 8
80	85	6 6	500	510	38 4
85	90	6 12	510	520	39 0
90	95	7 2	520	530	39 12
95	100	7 8	530	540	40 8
100	110	8 4	540	550	41 4
110	120	9 0	550	560	42 0
120	130	9 12	560	570	42 12
130	140	10 8	570	580	43 8
140	150	11 4	580	590	44 4
150	160	12 0	590	600	45 0
160	170	12 12	600	610	45 12
170	180	13 8	610	620	46 8
180	190	14 4	620	630	47 4
190	200	15 0	630	640	48 0
200	210	15 12	640	650	48 12
210	220	16 8	650	660	49 8
220	230	17 4	660	670	50 4
230	240	18 0	670	680	51 0
240	250	18 12	680	690	51 12
250	260	19 8	690	700	52 8
260	270	20 4	700	710	53 4
270	280	21 0	710	720	54 0
280	290	21 12	720	730	54 12
290	300	22 8	730	740	55 8
300	310	23 4	740	750	56 4
310	320	24 0	750	760	57 0
320	330	24 12	760	770	57 12
330	340	25 8	770	780	58 8

When the amount or value of the subject-matter exceeds—	But does not exceed—	Proper fee.	When the amount or value of the subject-matter exceeds—	But does not exceed—	Proper fee.
Rs.	Rs.	Rs. a.	Rs.	Rs.	Rs. a.
770	780	58 8	2,700	2,800	165 0
780	790	59 4	2,800	2,900	170 0
790	800	60 0	2,900	3,000	175 0
800	810	60 12	3,000	3,100	180 0
810	820	61 8	3,100	3,200	185 0
820	830	62 4	3,200	3,300	190 0
830	840	63 0	3,300	3,400	195 0
840	850	63 12	3,400	3,500	200 0
850	860	64 8	3,500	3,600	205 0
860	870	65 4	3,600	3,700	210 0
870	880	66 0	3,700	3,800	215 0
880	890	66 12	3,800	3,900	220 0
890	900	67 8	3,900	4,000	225 0
900	910	68 4	4,000	4,100	230 0
910	920	69 0	4,100	4,200	235 0
920	930	69 12	4,200	4,300	240 0
930	940	70 8	4,300	4,400	245 0
940	950	71 4	4,400	4,500	250 0
950	960	72 0	4,500	4,600	255 0
960	970	72 12	4,600	4,700	260 0
970	980	73 8	4,700	4,800	265 0
980	990	74 4	4,800	4,900	270 0
990	1,000	75 0	4,900	5,000	275 0
1,000	1,100	80 0	5,000	5,250	290 0
1,100	1,200	85 0	5,250	5,500	305 0
1,200	1,300	90 0	5,500	5,750	320 0
1,300	1,400	95 0	5,750	6,000	335 0
1,400	1,500	100 0	6,000	6,250	350 0
1,500	1,600	105 0	6,250	6,500	365 0
1,600	1,700	110 0	6,500	6,750	380 0
1,700	1,800	115 0	6,750	7,000	395 0
1,800	1,900	120 0	7,000	7,250	410 0
1,900	2,000	125 0	7,250	7,500	425 0
2,000	2,100	130 0	7,500	7,750	440 0
2,100	2,200	135 0	7,750	8,000	455 0
2,200	2,300	140 0	8,000	8,250	470 0
2,300	2,400	145 0	8,250	8,500	485 0
2,400	2,500	150 0	8,500	8,750	500 0
2,500	2,600	155 0	8,750	9,000	515 0
2,600	2,700	160 0	9,000	9,250	530 0

When the amount or value of the subject-matter exceeds—	But does not exceed—	Proper fee.	When the amount or value of the subject-matter exceeds—	But does not exceed—	Proper fee.
Rs.	Rs.	Rs. a.	Rs.	Rs.	Rs. a.
9,250	9,500	545 0	19,500	20,000	1,025 0
9,500	9,750	560 0	20,000	21,000	1,055 0
9,750	10,000	575 0	21,000	22,000	1,085 0
10,000	10,500	597 8	22,000	23,000	1,115 0
10,500	11,000	620 0	23,000	24,000	1,145 0
11,000	11,500	642 8	24,000	25,000	1,175 0
11,500	12,000	665 0	25,000	26,000	1,205 0
12,000	12,500	687 8	26,000	27,000	1,235 0
12,500	13,000	710 0	27,000	28,000	1,265 0
13,000	13,500	732 8	28,000	29,000	1,295 0
13,500	14,000	755 0	29,000	30,000	1,325 0
14,000	14,500	777 8	30,000	32,000	1,355 0
14,500	15,000	800 0	32,000	34,000	1,385 0
15,000	15,500	822 8	34,000	36,000	1,415 0
15,500	16,000	845 0	36,000	38,000	1,445 0
16,000	16,500	867 8	38,000	40,000	1,475 0
16,500	17,000	890 0	40,000	42,000	1,505 0
17,000	17,500	912 8	42,000	44,000	1,535 0
17,500	18,000	935 0	44,000	46,000	1,565 0
18,000	18,500	957 8	46,000	48,000	1,595 0
18,500	19,000	980 0	48,000	50,000	1,625 0
19,000	19,500	1,002 8			

and the fee increases at the rate of thirty rupees for every five thousand rupees, or part thereof, up to a maximum of ten thousand rupees, for example—

Rs.	Rs. a.	Rs.	Rs. a.
1,00,000	1,925 0	9,00,000	6,725 0
2,00,000	2,525 0	10,00,000	7,325 0
3,00,000	3,125 0	11,00,000	7,925 0
4,00,000	3,725 0	12,00,000	8,525 0
5,00,000	4,325 0	13,00,000	9,125 0
6,00,000	4,925 0	14,00,000	9,725 0
7,00,000	5,525 0	15,00,000	10,000 0
8,00,000	6,125 0		

14. For Articles 1, 6, 7, 12, 14, 17, 18, 19, 20 and 21 of Schedule II to the said Act the following shall be substituted, namely :—

Amendment of Schedule II to VII of 1870.

SCHEDULE II.

Fixed Fees.

Number.		Proper fee.
1. Application or petition.	(*a*) When presented to any officer of the Customs or Excise Department or to any Magistrate by any person having dealings with the Government, and when the subject-matter of such application relates exclusively to those dealings;	Two annas.
	or when presented to any officer of land-revenue by any person holding temporarily settled land under direct engagement with Government, and when the subject-matter of the application or petition relates exclusively to such engagement;	
	or when presented to any Municipal Commissioner under any Act for the time being in force for the conservancy or improvement of any place, if the application or petititon relates solely to such conservancy or improvement;	
	or when presented to any Civil Court other than a principal Civil Court of original jurisdiction, or to any Court of Small Causes constituted under the Provincial Small Causes Courts Act, 1887, or to a Collector or other officer of revenue in relation to any suit or	

IX of 1887.

Number.	——	Proper fee.
	case in which the amount or value of the subject-matter is less than fifty rupees, not being an application for assistance under section 86 of the Bombay Land Revenue Code, 1879;	Bom. V of 1879.
	or when presented to any Civil, Criminal or Revenue Court, or to any Board or executive officer for the purpose of obtaining a copy or translation of any judgment, decree or order passed by such Court, Board or officer, or of any other document on record in such Court or office.	
	(*aa*) When presented to a Collector or other officer of revenue for assistance under Section 86 of the Bombay Land Revenue Code, 1879.	Four annas. Bom. V of 1879.
	(*b*) When containing a complaint or charge of any offence other than an offence for which police officers may, under the Criminal Procedure Code, 1898, arrest without warrant, and presented to any Criminal Court;	Eight annas. V of 1898.
	or when presented to a Civil, Criminal or Revenue Court, or to a Collector, or any Revenue-officer having jurisdiction equal or subordinate to a Collector, or to any Magistrate in his executive capacity and not otherwise provided for by this Act;	
	or to deposit in Court revenue or rent;	

Number.	——	Proper fee.
	or for determination by a Court of the amount of compensation to be paid by a landlord to his tenant.	
	(c) When presented to a Chief Commissioner or other Chief Controlling Revenue or Executive Authority, or to a Commissioner of Revenue or Circuit, or to any chief officer charged with the executive administration of a division and not otherwise provided for by this Act.	Two rupees.
	(d) When presented to a High Court.	Four rupees.
6. Bail-bond or other instrument of obligation given in pursuance of an order made by a Court or Magistrate under any section of the Code of Criminal Procedure, 1898, or the Code of Civil Procedure, 1908, and not otherwise provided for by this Act.	....	One rupee.
7. Undertaking under section 49 of the Indian Divorce Act, 1869.	....	One rupee.
12. Caveat	When the amount or value of the property involved does not exceed two thousand rupees.	Five rupees
	When the amount or value of the property involved exceeds two thousand rupees.	Ten rupees.
14. Petition in a suit under the Native Converts' Marriage Dissolution Act, 1866.	....	Ten rupees.

V of 1898; V. of 1908.

IV of 1869.

XVI of 1866.

Number.	——	Proper fee.
17. Plaint or memorandum of appeal in each of the following suits :—		
(*i*) to alter or set aside a summary decision or order of any of the Civil Courts not established by Letters Patent or of any Revenue Court ;	When the amount or value of the property involved does not exceed five hundred rupees.	Ten rupees.
(*ii*) to alter or cancel any entry in a register of the names of proprietors of revenue paying estates and	When the amount or value of the property involved exceeds five hundred rupees.	Fifteen rupees.
(*iii*) to obtain a declaratory decree or order, where no consequential relief is prayed ;	....	Fifteen rupees.
(*iv*) to set aside alienation ;	....	Fifteen rupees.
(*v*) to set aside a decree or award.	When the amount or value of the property involved does not exceed five hundred rupees.	Ten rupees.
	When the amount or value of the property involved exceeds five hundred rupees.	Fifteen rupees.
(*vi*) to set aside an adoption ; and	....	Fifteen rupees.
(*vii*) any other suit where it is not possible to estimate at a money value the subject-matter in dispute, and which is not otherwise provided for by this Act.	....	Fifteen rupees.
18. Application—		
(*a*) under paragraph 17 of the Second Schedule to the Code of Civil Procedure, 1908 ;	....	Ten rupees.

V of 1908.

Number.		——	Proper fee.
XXXIX of 1925.	(*b*) for probate or letters of administration or for revocation thereof under the Indian Succession Act, 1925;	When the amount or value of the Estate does not exceed two thousand rupees.	Two rupees.
		When it exceeds two thousand rupees, but does not exceed five thousand rupees.	Five rupees.
XXXIX of 1925.	(*c*) for a certificate under Part X of the Indian Succession Act, 1925, or Bombay Regulation VIII of 1827;	When it exceeds five thousand rupees.	Ten rupees.
II of 1882.	(*d*) for opinion or advice or for discharge from a Trust, or for appointment of new Trustees, under sections 34, 72, 73 or 74 of the Indian Trusts Act, 1882;	....	Ten rupees.
VII of 1913.	(*e*) for the winding up of a Company, under section 166 of the Indian Companies Act, 1913;	....	Ten rupees
V of 1908.	(*f*) under rule 58 of Order XXI of the Code of Civil Procedure, 1908, regarding a claim to attached property.	When the amount or value of the property exceeds five hundred rupees.	Ten rupees.
V of 1908.	19. Agreement in writing stating a question for the opinion of the Court under the Code of Civil Procedure, 1908.	....	Twenty rupees.
IV of 1869.	20. Every petition under the Indian Divorce Act, 1869, except petitions under section 44 of that Act and every memorandum of appeal under section 55 of that Act.	....	Thirty rupees.
XV of 1865.	21. Plaint or memorandum of appeal under the Parsi Marriage and Divorce Act, 1865.	....	Thirty rupees.

PART IV.

STAMP DUTIES.

15. In the Indian Stamp Act, 1899, in its application to the Presidency of Bombay, the following amendments shall be made, namely :— II of 1899.

Amendment of II of 1899.

(1) In sub-section (1) of section 4, and in the proviso to section 6, for the words "one rupee" the words "two rupees" shall be substituted.

Amendment of sections 4 and 6 of II of 1899.

(2) In clause (*a*) of section 11, proviso (*c*) to section 32, proviso (*a*) to section 35, sub-section (1) of section 40, section 41, clause (*b*) of section 69 and the proviso to section 74 before the words "one anna" the words "two annas" shall be inserted.

Amendment of sections 11, 32, 35, 40, 41, 69 and 74 of II of 1899.

(3) After section 19, the following section shall be inserted, namely :—

New section 19A of II of 1899.

"19*A*. Where any instrument of the nature described in any article in Schedule I and relating to any property situate or to any matter or thing done or to be done in the Presidency of Bombay is executed out of the said Presidency and subsequently received in the said Presidency—

Payment of duty on certain instruments liable to increased duty in Bombay Presidency.

(*a*) the amount of duty chargeable on such instrument shall be the amount of duty chargeable under Schedule I on a document of the like description executed in the Presidency of Bombay less the amount of duty, if any, already paid on such instrument in British India.

(*b*) and in addition to the stamps, if any, already affixed thereto, such instrument shall be stamped with the stamps necessary for the payment of the duty chargeable on it under clause (*a*) of this section, in the same manner and at the same time and by the same persons as though such instrument were an instrument received in British India for the first time at the time when it became chargeable with the higher duty, and

(*c*) the provisions contained in clause (*b*) of the proviso to sub-section (3) of section 32 shall apply to such instrument as if such were an instrument executed or first executed out of British India and first received in British India when it became chargeable to the higher duty aforesaid, but the provisions contained in clause (*a*) of the said proviso shall no apply thereto."

Amendment of section 28 of II of 1899.

(4) For the proviso to sub-section (4) of section 28 the following shall be substituted, namely :—

" Provided that notwithstanding anything contained in article 23 of Schedule I the duty on such last mentioned conveyance shall in no case be less than two rupees."

Amendment of Schedule I of II of 1899.

(5) In Schedule I—

(*a*) in column 1 of article 12 clauses (*a*) and (*b*) shall be repealed ;

(*b*) for the entries in column 2 of the said Schedule relating to Articles 2 (*b*), 3, 4, 8(*b*), 9, 12, 14, 15, 18, 20, 22, 23, 24, 25(*b*), 26(*b*), 29, 30(*b*), 39, 40(*c*), 41, 42, 44, 46, 48, 50, 51, 54(*a*), 55(*b*), 57(*b*) 62(*c*)

(*ii*) and 65 and shown in column 2 of the Schedule to this Part the entries shown in column 3 of the latter Schedule shall be substituted;

(*c*) for articles 5 and 43, the following shall, respectively, be substituted, namely :—

"5. Agreement or Memorandum of an Agreement—

(*a*) if relating to the sale of a bill of exchange :	Four annas.
(*aa*) if relating to the sale of a Government security ;	Subject to a maximum of twenty rupees, two annas for every Rs. 10,000 or part thereof of the value of the security.
(*b*) if relating to the sale of a share in an incorporated company or other body corporate ;	Two annas for every Rs. 5,000 or part thereof of the value of the share.
(*c*) if not otherwise provided for.	One rupee.

Exemptions.

Agreement or Memorandum of agreement,—

(*a*) for or relating to the sale of goods or merchandise exsively, not being a Note or Memorandum chargeable under No. 43 ;

(*b*) made in the form of tenders to the Government of India for or relating to any loan ;

(*c*) made under the European Vagrancy Act, 1874, section 17. IX of 1874.

"43. Note or Memorandum sent by a Broker or Agent to his principal intimating the purchase or sale on account of such principal,—

(*a*) of any goods exceeding in value twenty rupees ;	Four annas.
(*b*) of any stock or marketable security exceeding in value twenty rupees, not being a Government security ;	Two annas for every Rs. 5,000 or part thereof of the value of the stock or security.
(*bb*) of a Government security ;	Subject to a maximum of twenty rupees, two annas for every 10,000 rupees or part thereof of the value of the security.

and

(*d*) for Articles 7 and 10 the following shall respectively be substituted, namely :—

"7. Appointment in execution of a power, where made by any writing not being a will—

(*a*) of trustees	Fifteen rupees.
(*b*) of property, moveable or immoveable.	Thirty rupees.

"10...Articles of Association of a Company—

(*a*) where the company has no share capital or the nominal share capital does not exceed Rs. 2,500;	Twenty-five rupees.
(*b*) where the nominal share capital exceeds Rs. 2,500 but does not exceed Rs. 1,00,000.	Fifty rupees.
(*c*) where the nominal share capital exceeds Rs. 1,00,000	One hundred rupees.
	Exemption.
Articles of any Association not formed for profit and registered under section 26 of the Indian Companies Act, 1913.	
See also Memorandum of Association of a Company (No. 39)."	

VII of 1913.

(*e*) in clause (*a*) in column (1) of Article 25 for the words "one rupee" the words "two rupees" shall be substituted; and

(*f*) in provisos (*a*) and (*c*) in column 2 of Article 45, for the words "eight annas" the words "one rupee" shall be substituted.

SCHEDULE.

[*See* Section 15 (5).]

1	2	3
2. Administration Bond—		
(*b*) in any other case ..	Five rupees	Ten rupees.
3. Adoption Deed	Ten rupees	Twenty rupees.
4. Affidavit	One rupee	Two rupees.
8. Appraisement, etc.—		
(*b*) in any other case ..	Five rupees	Ten rupees.
9. Apprenticeship-Deed ..	Five rupees	Ten rupees.
12. Award	The same duty as a Bond (No. 15) for such amount.	The same duty as a Bond (No. 15) for the amount or value of the property to which the award relates as set forth in such award subject to a maximum of twenty rupees.
	Five rupees	
14. Bill of Lading	Four annas	Eight annas.
	N.B.—If a bill of lading is drawn in parts, the proper stamp therefor must be borne by each one of the set.	*N.B.*—If a bill of lading is drawn in parts, the proper stamp therefor must be borne by each one of the set.
15. Bond—		
where it exceeds Rs. 200 and does not exceed Rs. 300.	One rupee eight annas ..	Two rupees four annas.
where it exceeds Rs. 300 and does not exceed Rs. 400.	Two rupees	Three rupees.
where it exceeds Rs. 400 and does not exceed Rs. 500.	Two rupees eight annas ..	Three rupees twelve annas.
where it exceeds Rs. 500 and does not exceed Rs. 600.	Three rupees	Four rupees eight annas.
where it exceeds Rs. 600 and does not exceed Rs. 700.	Three rupees eight annas.	Five rupees four annas.
where it exceeds Rs. 700 and does not exceed Rs. 800.	Four rupees	Six rupees.
where it exceeds Rs. 800 and does not exceed Rs. 900.	Four rupees eight annas ..	Six rupees twelve annas.
where it exceeds Rs. 900 and does not exceed Rs. 1,000	Five rupees	Seven rupees eight annas.
and for every Rs. 500 or part thereof in excess of Rs. 1,000.	Two rupees eight annas ..	Three rupees twelve annas.
18. Certificate of Sale—		
(*a*) where the purchase-money does not exceed Rs. 10.	Two annas	Four annas.
(*b*) where the purchase-money exceeds Rs. 10 but does not exceed Rs. 25.	Four annas	Eight annas.
(*c*) in any other case ..	The same duty as a conveyance (No. 23) for a consideration equal to the amount of the purchase-money only.	The same duty as a conveyance (No. 23) for a consideration equal to the amount of the purchase-money only.

1	2	3
20. Charter-Party	One rupee	Two rupees.
22. Composition-Deed	Ten rupees	Twenty rupees.
23. Conveyance—		
where the amount or value of the consideration for such conveyance as set forth therein.		
exceeds Rs. 200 but does not exceed Rs. 300.	Three rupees	Four rupees eight annas.
where it exceeds Rs. 300 but does not exceed Rs. 400.	Four rupees	Six rupees.
where it exceeds Rs. 400 but does not exceed Rs. 500.	Five rupees	Seven rupees eight annas.
where it exceeds Rs. 500 but does not exceed Rs. 600.	Six rupees	Nine rupees.
where it exceeds Rs. 600 but does not exceed Rs. 700.	Seven rupees	Ten rupees eight annas.
where it exceeds Rs. 700 but does not exceed Rs. 800.	Eight rupees	Twelve rupees.
where it exceeds Rs. 800 but does not exceed Rs. 900.	Nine rupees	Thirteen rupees eight annas.
where it exceeds Rs. 900 but does not exceed Rs. 1,000.	Ten rupees	Fifteen rupees.
and for every Rs. 500 or part thereof in excess of Rs. 1,000.	Five rupees	Seven rupees eight annas.
24. Copy or Extract—		
(*i*) if the original was not chargeable with duty or if the duty with which it was chargeable does not exceed one rupee.	Eight annas	One rupee.
(*ii*) in any other case ..	One rupee	Two rupees.
25. Counterpart or Duplicate—		
(*b*) in any other case ..	One rupee	Two rupees.
26. Customs Bond—		
(*b*) in any other case ..	Five rupees	Ten rupees.
29. Divorce	One rupee	Five rupees.
30. Entry as an Advocate, Vakil or Attorney on the roll of any High Court—		
(*b*) in the case of an Attorney.	Two hundred and fifty rupees.	Five hundred rupees.
39. Memorandum of Association of a Company—		
(*a*) if accompanied by articles of association under section 17 of the Indian Companies Act, 1913. VII of 1913.	Fifteen rupees	Thirty rupees.
(*b*) if not so accompanied ..	Forty rupees	Eighty rupees.
40. Mortgage-Deed—		
(*c*) when a collateral or auxiliary or additional or substituted security or by way of further		

1	2	3
assurance for the above-mentioned purpose where the principal or primary security is duly stamped—		
for every sum secured not exceeding Rs. 1,000;	Eight annas	One rupee.
and for every Rs. 1,000 or part thereof secured in excess of Rs. 1,000.	Eight annas	One rupee.
41. Mortgage of a crop—		
(*a*) when the loan is repayable not more than three months from the date of the instrument for every sum secured not exceeding Rs. 200,	One anna	Two annas
and for every Rs. 200 or part thereof secured in excess of Rs. 200;	One anna	Two annas.
(*b*) when the loan is repayable more than three months, but not more than eighteen months, from the date of the instrument—		
for every sum secured not exceeding Rs. 100.	Two annas	Four annas.
and for every Rs. 100 or part thereof secured in excess of Rs. 100.	Two annas	Four annas.
42. Notarial Act	One rupee	Two rupees.
44. Note of protest by the Master of a Ship.	Eight annas	One rupee.
6. Partnership—		
(A) Instrument of—		
(*a*) where the capital of the partnership does not exceed Rs. 500.	Two rupees eight annas ..	Five rupees.
(*b*) in other cases	Ten rupees	Twenty rupees.
(B) Dissolution of	Five rupees	Ten rupees.
48. Power of Attorney—		
(*a*) when executed for the sole purpose of procuring the registration of one or more documents in relation to a single transaction or for admitting execution of one or more such documents.	Eight annas	One rupee
(*b*) when required in suits or proceedings under the Presidency Small Cause Courts Act, 1882.	Eight annas	One rupee
(*c*) when authorising one person or more to act in a single transaction other than the case mentioned in clause (*a*).	One rupee	Two rupees.

XV of 1882.

1	2	3
(*d*) when authorising not more than five persons to act jointly and severally in more than one transaction or generally.	Five rupees	Ten rupees.
(*e*) when authorising more than five but not more than ten persons to act jointly and severally in more than one transaction or generally.	Ten rupees	Twenty rupees.
(*f*) when given for consideration and authorising the attorney to sell any immoveable property.	The same duty as a Conveyance (No. 23) for the amount of the consideration.	The same duty as a Conveyance (No. 23) for the amount of the consideration.
(*g*) in any other case ..	One rupee for each person authorised.	Two rupees for each person authorised.
XVI of 1908.		*N.B.*—The term "registration" includes every operation incidental to registration under the Indian Registration Act, 1908.
50. Protest of Bill or Note ..	One rupee	Two rupees.
51. Protest by the Master of a Ship.	One rupee	Two rupees.
54. Reconveyance of Mortgaged Property—		
(*a*) if the consideration for which the property was mortgaged does not exceed Rs. 1,000;	The same duty as a Conveyance (No. 23) for the amount of such consideration as set forth in the Reconveyance.	The same duty as a Bond (No 15) for the amount of such consideration as set forth in the Reconveyance.
55. Release—		
(*b*) in any other case ..	Five rupees	Ten rupees.
57. Security Bond or Mortgage Deed—		
(*b*) in any other case ..	Five rupees	Ten rupees.
62. Transfer—		
(*c*) of any interest secured by a bond, mortgage-deed or policy of insurance—		
(*ii*) in any other case ..	Five rupees	Ten rupees.
65. Warrant for Goods ..	Four annas	Eight annas.

PART V.

STAMP-DUTIES ON CERTAIN INSTRUMENTS IN CERTAIN CITIES.

Extent of Part V.

16. This Part extends to the cities of Bombay, Ahmedabad, Poona and Karachi only.

17. In this Part, unless there is anything repugnant in the subject or context,

Definitions.

(*a*) 'City of Ahmedabad' means the municipal district of Ahmedabad, the Cantonment of Ahmedabad, and the notified areas of Kankaria, Asarva, Ellis Bridge and Sabarmati,

(*b*) 'City of Poona' means the municipal district of Poona, the suburban municipal district of Poona, and the Cantonment of Poona, and

(*c*) 'City of Karachi' means the municipal district of Karachi, the cantonments of Karachi and Manora and the limits of the Karachi Port Trust.

18. Notwithstanding anything contained in Part IV, in Schedule I to the Indian Stamp Act, 1899, in its application to the cities of Bombay, Ahmedabad, Poona and Karachi, for the entries in columns 1 and 2 relating to Articles 23, 58 and 63, the following entries shall, respectively, be substituted, namely :—

Amendment of Schedule I to II of 1899.

II of 1899.

23. Conveyance [as defined by section 2 (10)], not being a Transfer charged or exempted under No. 62.—	

For the City of Bombay.

	Rs.	a.	p.
where the amount or value of the consideration for such conveyance as set forth therein exceeds Rs. 200 but does not exceed Rs. 300	8	8	0
where it exceeds Rs. 300 but does not exceed Rs. 400 ..	12	0	0
where it exceeds Rs. 400 but does not exceed Rs. 500 ..	15	8	0
where it exceeds Rs. 500 but does not exceed Rs. 600 ..	19	0	0
where it exceeds Rs. 600 but does not exceed Rs. 700 ..	22	8	0
where it exceeds Rs. 700 but does not exceed Rs. 800 ..	26	0	0
where it exceeds Rs. 800 but does not exceed Rs. 900 ..	29	8	0
where it exceeds Rs. 900 but does not exceed Rs. 1,000 ..	33	0	0
and for every Rs. 500 or part thereof in excess of Rs. 1,000.	17	8	0

For the Cities of Ahmedabad, Poona and Karachi.

	Rs.	a.	p.
where the amount or value of the consideration for such conveyance as set forth therein.			
exceeds Rs. 200 but does not exceed Rs. 300	6	8	0
exceeds Rs. 300 but does not exceed Rs. 400	9	0	0
exceeds Rs. 400 but does not exceed Rs. 500	11	8	0
exceeds Rs. 500 but does not exceed Rs. 600	14	0	0
exceeds Rs. 600 but does not exceed Rs. 700	16	8	0
exceeds Rs. 700 but does not exceed Rs. 800	19	0	0
exceeds Rs. 800 but does not exceed Rs. 900	21	8	0
exceeds Rs. 900 but does not exceed Rs. 1,000	24	0	0
and for every Rs. 500 or part thereof in excess of Rs. 1,000.	12	8	0

58. Settlement—	
A.—Instrument of (including a deed of dower).	The same duty as a Conveyance (No. 23) for a consideration equal to the amount or value of the property settled as set forth in such settlement. Provided that, where an agreement to settle is stamped with the stamp required for an instrument of settlement, and an instrument of settlement in pursuance of such agreement is subsequently executed, the duty on such instrument shall not exceed eight annas.
Exemptions.	
(*a*) Deed of Dower executed on the occasion of a marriage between Muhammadans.	
(*b*) Hludassa, that is to say any settlement of immoveable property executed by a Buddhist in Burma for a religious purpose in which no value has been specified and on which a duty of Rs. 10 has been paid.	
B.—Revocation of—	The same duty as a Conveyance (No. 23) for a consideration equal to the amount or value of the property concerned as set forth in the instrument of revocation but not exceeding ten rupees.
See also Trust (No. 64)	
63. Transfer of Lease by way of assignment and not by way of underlease.	The same duty as a Conveyance (No. 23) for a consideration equal to the amount of the consideration for the transfer.
Exemption.	
Transfer of any lease exempt from duty.	

Bom. II of 1926. Repeal of Bom. II of 1926.

19. The Indian Stamp (Bombay Amendment) Act, 1926, is hereby repealed.

BOMBAY ACT NO. IV OF 1932.

(First published, after having received the assent of the Governor-General, in the "Bombay Government Gazette" on the 28th October 1932.)

An Act to provide for the better regulation and control of transactions in Cotton in Bombay.

WHEREAS it is expedient to provide for the better regulation and control of transactions in cotton and whereas the previous sanction of the Governor-General required by sub-section (3) of section 80A of the Government of India Act, has been obtained for the passing of this Act; It is hereby enacted as follows:— 5 & 6 Geo. V c. 61.

Short title.

1. This Act may be called the Bombay Cotton Contracts Act, 1932.

Extent and operation.

2. (1) This Act shall apply to the City of Bombay and the Island Salsette.

(2) It shall come into operation on such date as the Governor in Council may, by notification in the *Bombay Government Gazette*, direct.

(3) Sections 9 and 10 of this Act shall remain in force for a period of five years from the date on which this Act shall have come into operation under sub-section (2).

Definitions.

3. In this Act, unless there is anything repugnant in the subject or context,

(*a*) "Bombay" means the City of Bombay and the Island of Salsette;

(*b*) "Board of Control" means a board appointed for the time being by the Governor in Council as provided in section 9;

(*c*) "Board of Directors" means a board of directors of a recognised cotton association constituted under section 5 and acting through at least a quorum of their members at a meeting of that board duly called and constituted;

(*d*) "Certified godown" means a godown maintained by a cotton association for storing cotton certified under the by-laws of the association;

(*e*) "Contract" means a contract made or to be performed in whole or in part in Bombay relating to the sale or purchase of cotton and includes options in cotton, but does not include such contracts as the Governor in Council may, by notification in the *Bombay Government Gazette*, declare to be excluded from the provisions of this Act;

(*f*) "Cotton Association" means any Association organisation or a body of individuals, whether incorporated or not, established or formed for the purpose of regulating and controlling business in the sale, purchase or other transactions in cotton;

(*g*) "Forward contract" means a contract for the delivery of cotton at some future date;

(*h*) "Option in cotton" means a contract made or to be performed in whole or in part in Bombay for the purchase or sale of a right to buy, or a

right to sell, or a right to buy or sell cotton in future, and includes a *teji*, a *mandi* or a *teji-mandi* in cotton;

(*i*) "Ready contract" means a contract in which immediate delivery of cotton is contemplated;

(*j*) "Recognised Cotton Association" means a cotton association which is for the time being recognised by the Governor in Council, as provided in section 4.

Recognition.

4. (1) A Cotton Association, desirous of being recognised for the purposes of this Act, shall make an application in writing to the Governor in Council for such recognition and shall submit by-laws for the regulation and control of transactions in cotton and furnish such information in regard to such recognition as the Governor in Council may from time to time require.

(2) The Governor in Council may give or refuse such recognition.

(3) The Governor in Council shall refuse recognition unless—

(*a*) it is provided in the by-laws submitted by the Cotton Association under sub-section (1) that not less than one-fourth of the total number of the Board of Directors of the Cotton Association applying for recognition shall be growers of cotton to be appointed in the manner prescribed in the said by-laws and approved by the Governor in Council; and

(*b*) the Governor in Council is satisfied that the sole possession and effective management, control and regulation of the markets of the Cotton Association

applying for recognition and of the market places of the said Cotton Association are vested in the said Cotton Association.

(4) The Governor in Council shall also refuse recognition unless the by-laws submitted by the Cotton Association under sub-section (1) shall have been published in the *Bombay Government Gazette* at least one month before the date of such recognition :

Provided that when, in the opinion of the Governor in Council, the conditions precedent to recognition specified in sub-clauses (*a*) and (*b*) of sub-section (3) are satisfied in the case of a Cotton Association applying for recognition under sub-section (1) and the by-laws of the said Cotton Association are similar in all other material respects to the articles and by-laws of the East India Cotton Association, Limited, deemed or which have been deemed under the provisions of sub-section (7) to be by-laws of a recognised Cotton Association, the Governor in Council may dispense with the publication, required under this sub-section, of the by-laws of the Cotton Association applying for recognition and may give recognition to such association and the by-laws of such association shall then be deemed to be by-laws published under the provisions of this sub-section.

(5) When the Governor in Council has dispensed with the publication of the by-laws of a Cotton Association and has given recognition to such association under the provisions of the proviso to sub-section (4), such by-laws shall be published in the *Bombay Government Gazette* next following the giving of recognition to such association.

(6) The Governor in Council may, at any time after having given to a Cotton Association an opportunity to

explain why recognition should not be withdrawn, withdraw the recognition given to the said Cotton Association and such Cotton Association shall thereupon cease to be a recognised Cotton Association.

(7) It is hereby declared that the East India Cotton Association, Limited, is a recognised Cotton Association for the purposes and subject to the provisions of this Act and the articles and by-laws of the said Association shall, so far as they relate to matters for which by-laws may be made under the provisions of sections 5 and 6, be deemed to be by-laws of a recognised Cotton Association :

Provided that, if, within such time after the coming into operation of this Act as the Governor in Council shall by order in writing specify, the said Association shall not have complied with the conditions precedent to recognition specified in clauses (*a*) and (*b*) of sub-section (3), the said Association shall cease to be a recognised Cotton Association and the said articles and by-laws of the said association shall cease to be by-laws of a recognised Cotton Association.

Explanation.—A grower of cotton shall not include a person who deals in forward contracts.

Recognised association to have Board of Directors: power to make by-laws.

5. (1) Subject to the provisions of section 9, in every recognised Cotton Association there shall be a Board of Directors. Subject to the sanction of the Governor-in-Council, a recognised Cotton Association may make and may from time to time add to, vary or rescind by-laws providing for—

(*a*) the constitution of the Board of Directors,

(*b*) the powers and duties of the Board of Directors and the manner in which its business shall be conducted,

(*c*) the number and constitution of electoral panels and the representation upon such panels, and

(*d*) the method of appointment of members to the Board of Directors.

(2) By-laws made, added to, varied or rescinded under sub-section (1) shall be laid upon the table of the Bombay Legislative Council at the session of the said Council next following and shall be liable to be modified or rescinded by a resolution of the said Council. If any by-law is so modified or rescinded, the Governor in Council may sanction such modified by-law and re-publish the same accordingly or may sanction such rescission.

Power of Board of Directors to make by-laws.

6. (1) The Board of Directors may, subject to the sanction of the Governor in Council, make and, from time to time, add to, vary or rescind by-laws for the regulation and control of transactions in cotton.

(2) In particular and without prejudice to the generality of the foregoing provision, such by-laws may provide for—

(*a*) the admission of various classes of members of a recognised Cotton Association and the exclusion, suspension, expulsion and re-admission of such members;

(*b*) the opening and closing of markets in cotton and the times during which such markets shall be opened or closed and regulating the hours of trade;

(*c*) a clearing house for the periodical settlement of contracts or differences thereunder and for the passing on of delivery orders and for any purpose in connection with options in cotton, and the regulation and maintenance of such clearing house;

(*d*) the number and classes of contracts in respect of which settlements shall be made or differences paid through the clearing house;

(*e*) fixing, altering or postponing settling days;

(*f*) determining and declaring the market rates for cotton of any and every description;

(*g*) the terms, conditions and incidents of contracts and the forms of such contracts as are in writing;

(*h*) regulating the making, performance and cancellation of contracts, including contracts between a commission agent and his constituent, or between a broker and his constituent, or between a jethawala or muccadum and his constituent, or between a member and a non-member of a recognised Cotton Association, and the consequences of insolvency on the part of a seller or buyer or intermediary, the consequences of a breach or omission by a seller or buyer and the responsibility of commission agents, muccadums and brokers not parties to such contracts;

(*i*) the prohibition of specified classes or types of dealings in cotton by a member of a recognised Cotton Association;

(*j*) the settlement of claims and disputes by arbitration and appeals against awards;

(*k*) the levy and recovery of subscriptions, fees, fines and penalties;

(*l*) disciplinary measures against members of a recognised Cotton Association, including suspension, expulsion, fines and non-monetary penalties, for breach of any by-law made by the Board of Directors;

(*m*) regulating the course of business between parties to contracts in any capacity;

(*n*) the institution, maintenance and control of certified godowns; and

(*o*) regulating the making, performance and cancellation of option in cotton.

(3) If any person committing a breach of any by-law of a recognised Cotton Association is a company, every director and officer of such company shall also be deemed to have committed such breach, unless he proves that the breach was committed without his knowledge and control.

Publication of by-laws.

7. By-laws made under section 5 or 6 shall be subject to the condition of previous publication and, when sanctioned by the Governor in Council, shall be published in the *Bombay Government Gazette*.

Void contracts.

8. (1) Save as hereinafter provided in this Act, any contract (whether either party thereto is a member of a recognised Cotton Association or not) which is entered into after the date on which this Act comes into operation and which is not in accordance with the by-laws of any recognised Cotton Association shall be void.

(2) No claim shall be allowed in any court for the recovery of any commission, brokerage, fee or reward in respect of any such contract.

Supersession of Board of Directors and appointment of Board of Control, its powers and duties.

9. (1) When the Governor in Council is of the opinion that it is necessary, in order to secure free trading in the market and to prevent obstruction thereto and interference therewith, to supersede any Board of Directors, the Governor-in-Council may, after having given to the Board of Directors a reasonable opportunity to explain why the said Board should not be superseded, by notification in the *Bombay Government Gazette*, declare such Board to be superseded and may appoint in the place of such Board such persons as he thinks fit to constitute a Board of Control and may appoint one of their number to be Chairman.

(2) When the Governor in Council has appointed a Board of Control under the provisions of sub-section (1), the members of the Board of Directors which has been superseded shall, from the date of the notification, vacate their office as such members.

(3) The Board of Control appointed under sub-section (1) shall hold office for such period as the Governor in Council may, by notification in the *Bombay Government Gazette*, appoint.

(4) When a Board of Control has been appointed under sub-section (1), the Governor in Council, may make by-laws to be published in the *Bombay Government Gazette* prescribing the powers and duties of a Board of Control and the manner in which its business shall be conducted.

(5) The Board of Control appointed under sub-section (1) may, subject to the provisions of sub-section (4), exercise all or any of the powers vested in or exercisable by the Board of Directors which it superseded.

(6) Notwithstanding anything contained in the by-laws of the recognised Cotton Association, a Board of Control may, subject to the previous sanction of the Governor in Council rescind, add to or vary the by-laws of the said Association and may, subject to a like sanction, make all or any such by-laws as may be made by the Board of Directors under the provisions of section 6 and which, in the opinion of the Board of Control, may be necessary for carrying out the purposes of this Act; and all or any such by-laws shall be deemed by-laws of the recognised Cotton Association.

(7) When a Board of Control has been appointed under sub-section (1), all such property of the recognised Cotton Association as such Board may by order in writing declare to be necessary for carrying out the purposes of this Act shall vest in such Board. The property so vested in such Board or which such Board may have acquired shall, on the determination of the period of office of such Board, re-vest or vest, as the case may be, in the recognised Cotton Association.

(8) On the determination of the period of office of the Board of Control appointed under sub-section (1) the recognised Cotton Association shall forthwith constitute a Board of Directors in accordance with the by-laws of the association.

Prohibition of certain contracts after the appointment of the Board of Control.

10. (1) When a Board of Control has been appointed under section 9, the Governor in Council may, by notification published in the *Bombay Government Gazette*, declare that

after the date appointed in the said notification, any forward or ready contract entered into except by or through the agency of a member of a recognised Cotton Association shall be void.

(2) No court shall entertain any suit or proceeding relating to any contract declared to be void under the provisions of sub-section (1) and no claim shall be allowed in any court for the recovery of any commission, brokerage, fee or reward in respect of any such contract.

(3) Any person entering into such contract shall, on conviction, be liable to a fine not exceeding Rs. 1,000 for such offence.

Bar of suits and proceedings against officers, etc.

11. No suit, prosecution or other legal proceedings whatsoever shall be entertained in any court against any officer or servant of a recognised Cotton Association or Board of Control for anything in good faith done or intended to be done in pursuance or execution of this Act or by-laws made thereunder.

Savings.

12. (1) Contracts entered into under the provisions of the Bombay Cotton Contracts Act, 1922, shall be deemed to be valid, except in so far as they may be inconsistent with any of the provisions of this Act and by-laws made thereunder. Bom. XIV of 1922.

(2) Forward contracts entered into before the date when this Act comes into operation and which would not have been void under the provisions of the Bombay Cotton Contracts Act, 1922, shall not be deemed to be void merely because they contravene the provisions of this Act and by-laws made thereunder. Bom. XIV of 1922.

BOMBAY FINANCE (AMENDMENT) ACT.

BOMBAY ACT NO. VI OF 1932.

(First published, after having received the assent of the Governor-General, in the "Bombay Government Gazette" on the 5th November 1932.)

An Act to amend the Bombay Finance Act, 1932.

WHEREAS it is expedient to amend the Bombay Finance Act, 1932, for the purpose hereinafter appearing; and whereas the previous sanction of the Governor-General required by sub-section (3) of section 80A, of the Government of India Act and the previous sanction of the Governor required by section 80C of the said Act have been obtained for the passing of this Act; It is hereby enacted as follows:—

Bom. II of 1932.

5 & 6 Geo. V, c. 61.

Short title.

1. This Act may be called the Bombay Finance (Amendment) Act, 1932.

Substitution of a new section for section 18 of Bom. II of 1932.

2. For section 18 of the Bombay Finance Act, 1932, the following shall be substituted, namely:—

"18. Notwithstanding anything contained in Part IV, in Schedule I to the Indian Stamp Act, 1899, in its application to the Cities of Bombay, Ahmedabad, Poona and Karachi, in respect of any instrument re'ating to immoveable property situate within the said cities and of the nature described in the articles hereinafter specified, for the entries against the said articles in columns 1 and 2

Amendments of Schedule I to II of 1899.

II of 1899.

the following entries shall respectively be substituted, namely :—

18. CERTIFICATE OF SALE (in respect of each property put up as a separate lot and sold) granted to the purchaser of any property sold by public auction by a Civil or Revenue Court, or Collector or other Revenue Officer—								
(c) in any other case	..	The same duty as is leviable on a Conveyance (No. 23) under the Bombay Finance (Amendment) Act, 1932, for a consideration equal to the amount of the purchase money only.						
		The City of Bombay.				The Cities of Ahmedabad, Poona and Karachi.		
23. CONVEYANCE [as defined by section 2 (10)] so far as it relates to immoveable property.			Rs.	a.	p.		Rs.	a.	p.
	where the amount or value of the consideration for such conveyance as set forth therein exceeds Rs. 200 but does not exceed Rs. 300	..	8	8	0	where the amount or value of the consideration for such conveyance as as set forth therein exceeds Rs. 200 but does not exceed Rs. 300.	6	8	0
	where it exceeds Rs. 300 but does not exceed Rs. 400	..	12	0	0	exceeds Rs. 300 but does not exceed Rs. 400.	9	0	0
	where it exceeds Rs. 400 but does not exceed Rs. 500	..	15	8	0	exceeds Rs. 400 but does not exceed Rs. 500.	11	8	0
	where it exceeds Rs. 500 but does not exceed Rs. 600	..	19	0	0	exceeds Rs. 500 but does not exceed Rs. 600.	14	0	0
	where it exceeds Rs. 600 but does not exceed Rs. 700	..	22	8	0	exceeds Rs. 600 but does not exceed Rs. 700.	16	8	0
	where it exceeds Rs. 700 but does not exceed Rs. 800	..	26	0	0	exceeds Rs. 700 but does not exceed Rs. 800.	19	0	0
	where it exceeds Rs. 800 but does not exceed Rs. 900	..	29	8	0	exceeds Rs. 800 but does not exceed Rs. 900.	21	8	0
	where it exceeds Rs. 900 but does not exceed Rs. 1,000	..	33	0	0	exceeds Rs. 900 but does not exceedRs. 1,000.	24	0	0
	and for every Rs. 500 or part thereof in excess of Rs. 1,000	..	17	8	0	and for every Rs. 500 or part thereof in excess of Rs. 1,000 ..	12	8	0

31. EXCHANGE OF PROPERTY Instrument of.	The same duty as is leviable on a Conveyance (No. 23) under the Bombay Finance (Amendment) Act, 1932, for a consideration equal to the value of the property of greatest value as set forth in such instrument.
32. FURTHER CHARGE— Instrument of, that is to say, any instrument imposing a further charge on mortgaged property—	
(*a*) when the original mortgage is one of the description referred to in clause (*a*) of Article No. 40 (that is, with possession);	The same duty as is leviable on a Conveyance (No. 23) under the Bombay Finance (Amendment) Act, 1932, for a consideration equal to the amount of the further charge secured by such instrument.
(*b*) when such mortgage is one of the description referred to in clause (*b*) of Article No. 40 (that is, without possession)— (*i*) if at the time of execution of the instrument of further charge possession of the property is given or agreed to be given under such instrument;	The same duty as is leviable on a Conveyance (No. 23) under the Bombay Finance (Amendment) Act, 1932, for a consideration equal to the total amount of the charge (including the original mortgage and any further charges already made) less the duty already paid on such original mortgage and further charge.
33. GIFT—Instrument of, not being a Settlement (No. 58) or Will or Transfer (No. 62).	The same duty as is leviable on a Conveyance (No. 23) under the Bombay Finance (Amendment) Act, 1932, for a consideration equal to the value of the property as set forth in such instrument.
40. MORTGAGE-DEED, not being an Agreement relating to Deposit of Title-Deeds, Pawn or Pledge (No. 6), Bottomry Bond (No. 16), Mortgage of a Crop (No. 41), Respondentia Bond (No. 56), or Security Bond (No. 57)—	
(*a*) when possession of the property or any part of the property comprised in such deed is given by the mortgagor or agreed to be given.	The same duty as is leviable on a Conveyance (No. 23) under the Bombay Finance (Amendment) Act, 1932, for a consideration equal to the amount secured by such deed.

58. SETTLEMENT.—

A.—Instrument of (including a deed of dower).

(*i*) where the settlement is made for a religious or charitable purpose—The same duty as a Bond (No. 15) for a sum equal to the amount or value of the property settled as set forth in such settlement.

(*ii*) in any other case—The same duty as is leviable on a Conveyance (No. 23) under the Bombay Finance (Amendment) Act, 1932, for a consideration equal to the amount or value of the property settled as set forth in such settlement.

Provided that, where an agreement to settle is stamped with the stamp required for an instrument of settlement, and an instrument of settlement in pursuance of such agreement is subsequently executed, the duty on such instrument shall not exceed one rupee.

Exemptions.

(*a*) Deed of dower executed on the occasion of a marriage between Muhammadans.

(*b*) Hludassa, that is to say, any settlement of immoveable property executed by a Buddhist in Burma for a religious purpose in which no value has been specified and on which a duty of Rs. 10 has been paid.

B.—Revocation of—

The same duty as is leviable on a Conveyance (No. 23) under the Bombay Finance (Amendment) Act, 1932, for a consideration equal to the amount or value of the property concerned as set forth in the instrument of revocation but not exceeding ten rupees.

63.	TRANSFER OF LEASE by way of assignment and not by way of underlease.	The same duty as is leviable on a Conveyance (No. 23) under the Bombay Finance (Amendment) Act, 1932, for a consideration equal to the amount of the consideration for the transfer

Exemption.

Transfer of any lease exempt from duty."

BOMBAY WEIGHTS AND MEASURES ACT.

BOMBAY ACT NO. XV OF 1932.

(*First published, after having received the assent of the Governor-General, in the "Bombay Government Gazette" on the* 1*st December*, 1932.)

An Act to fix a scale of standard weights and measures for the Presidency of Bombay.

WHEREAS it is expedient to fix a scale of standard weights and measures for the Presidency of Bombay and to provide for the adoption of the same in specified areas in the said presidency; And whereas the previous sanction of the Governor-General, required by sub-section (3) of section 80A of the Government of India Act and the previous sanction of the Governor required by section 80C of the said Act have been obtained for the passing of this Act; It is hereby enacted as follows :—

5 & 6 Geo. V. c. 61

PART I.

PRELIMINARY.

Short title.

1. This Act may be called the Bombay Weights and Measures Act, 1932.

Extent and commencement.

2. (1) This Act shall apply to the whole of the Presidency of Bombay.

(2) Part I shall come into force at once. Government may, by notification in the *Bombay Government Gazette*, direct that Parts II, III, V and VI shall come into force in any district or municipal area on a date to be specified in such notification.

(3) When Government has directed that Parts II, III, V and VI shall come into force in any district or municipal area under sub-section (2), Part IV shall come into force in such district or municipal area three months after the date specified in the notification.

Definitions.

3. In this Act, unless there is anything repugnant in the subject or context,—

(1) "Inspector" means an inspector of weights and measures and weighing or measuring instruments appointed under section 19;

(2) "Measuring instrument" includes any instrument for the measurement of length, area, capacity or volume;

(3) "Mint" means His Majesty's Mint, Bombay;

(4) "Mint Master" means the officer appointed for the time being to be the Master of the Mint, Bombay;

(5) "Prescribed" with its grammatical variations means prescribed by rules or regulations made under this Act;

(6) "Primary standards" mean the weights and measures prepared and stamped under section 5;

(7) "Rules" and "regulations" mean the rules and regulations made under section 41 and section 42, respectively;

(8) "Secondary standards" mean the weights and measures prepared and stamped under section 7;

(9) The expression "verification" or "re-verification" with its grammatical variations, used with reference to a weight or measure or weighing or measuring instrument, includes the process of comparing checking or testing such weight or measure or weighing or measuring instrument;

(10) "Weighing instrument" includes scales, with the weights belonging thereto, scale beams, balances, spring balances, steelyards, weighing machines, and other instruments for weighing; and

(11) "Working standards" mean the weights and measures provided under section 9.

PART II.

STANDARDS OF WEIGHTS AND MEASURES.

Standard weights and measures.

4. The weights and measures including the multiples and sub-multiples thereof described in the first schedule shall be the weights and measures authorised to be used in every place in which this Part has come into force. These weights and measures are called standard weights and measures for the purposes of this Act.

Primary standards.

5. For the purpose of verifying the secondary standards, such standard weights and measures as Government may direct shall be prepared at the Mint by the Mint Master. They shall be made of such material, weight, length, form and specifications and in such manner as may be determined by Government by notification in the *Bombay Government Gazette*. They shall be stamped with the stamp of the Mint. The standard weights and measures so prepared and stamped shall be called Primary Standards.

Custody of primary standards.

6. The primary standards shall be kept in the custody of such officer in the City of Bombay as Government may direct. They shall once at least in every period of five years be verified, and if necessary, adjusted or renewed at the Mint in such manner and by such officer as Government may direct.

Secondary standards.

7. For the purpose of verifying the working standards and weights and measures in use in any area, such standard weights and measures as Government may direct, shall be prepared at the Mint by the Mint Master. They shall be made of such material, weight, length, form and specifications and in such manner as may be prescribed and shall be stamped with the stamp of the Mint. The standard weights and measures so prepared and stamped shall be called Secondary Standards.

Custody and verification of secondary standard.

8. (1) The secondary standards shall be kept—

(*i*) in the City of Bombay by such officer and at such place as Government may direct;

(*ii*) elsewhere by the Collectors in the Government treasuries at the headquarter towns of their respective districts and at such other town or place within their respective districts as Government may direct.

(2) Government may direct any municipality or district local board to keep the secondary standards at such places, in such custody and in such manner as may be prescribed.

(3) Once at least in every period of five years such secondary standards shall be verified with the primary

standards and shall be adjusted or renewed, if necessary, and shall be marked with the date of verification, in the prescribed manner by such officer as Government may direct.

(4) A secondary standard which is not so verified, adjusted or renewed and marked within the aforesaid period shall not be deemed legal and shall not be used for the purposes of this Act.

Working standards.

9. (1) For the purpose of verifying weights and measures in use in any area, Government may provide such standard weights and measures as it thinks fit, to be working standards. They shall be made of such material, weight, length, form and according to such specifications and shall be prepared by such agency and shall be stamped by such person and in such manner as may be prescribed. When they are not prepared at the Mint, they shall be verified with the secondary standards before being stamped.

(2) The working standards shall be kept by such officers and such municipalities and local boards as Government may direct, at such places, in such custody and in such manner as may be prescribed.

(3) A working standard shall be verified or re-verified and marked by such person, at such place and in such manner, as may be prescribed.

(4) A working standard shall not be deemed legal, or be used for the purposes of this Act, unless it has been verified or re-verified and marked in the prescribed manner within such period as may be prescribed before the time at which it is used.

A working standard which has become defective shall not be legal, or be used for the purposes of this Act, until it has been re-verified and marked in the prescribed manner.

Weighing and measuring instruments.

10. Weighing and measuring instruments stamped in the manner prescribed by such officer as Government may direct shall be kept at all places where secondary standards or working standards are kept. Such instruments shall be of such kind, kept in such number and shall be verified, adjusted or renewed in such manner as may be prescribed.

Duty of certain municipalities and local boards to provide and maintain secondary standards, etc.

11. Where Government has directed a municipality or local board to keep the secondary standards under sub-section (2) of section 8, the working standards under sub-section (2) of section 9 and weighing or measuring instruments under section 10, the municipality or local board so directed, as the case may be, shall provide and maintain the said secondary standards, working standards or weighing or measuring instruments.

Prohibition of weights and measures other than standard weights and measures.

12. (1) Subject to the provisions of section 46, and notwithstanding anything contained in any law for the time being in force, all dealings or contracts, had or made in any area after this Part shall have come into force in the said area for any work to be done or goods to be sold or delivered by weight or measure, shall be deemed to be had or made according to one of the standard weights or measures or to multiples thereof and it shall not be lawful to use any other weight or measure in relation to any such dealing or contract.

(2) Any dealing or contract had or made in contravention of the provisions of sub-section (1) so far as it contravenes the said provisions shall be void unless it is proved that such dealing or contract was had or made without intention to contravene the said provisions.

Explanation.—Unless there is anything repugnant in the subject or context a dealing or contract is hereinafter called " trade."

PART III.

VERIFICATION AND STAMPING OF WEIGHTS AND MEASURES.

Stamping.

13. Every weight which conforms to the provisions of this Act and the rules and regulations except where the small size of the weight renders it impracticable, shall have the denomination thereof stamped on the top or side thereof in legible figures and letters. Every measure of length, area, capacity or volume, which conforms to the provisions of this Act and the rules and regulations shall have the denomination thereof stamped on the outside of such measure in legible figures and letters. A weight or measure which does not conform to the provisions of this section shall not be stamped in accordance with the provisions of this Act and the rules and regulations.

Stamping and verification of weights and measures.

14. (1) No weight or measure shall be used for trade unless it has been verified or re-verified in the prescribed manner and stamped by an inspector with a stamp of verification under this Act.

(2) Government may prescribe the amount of error to be tolerated in weights or measures or weighing or measuring instruments used for trade.

15. No weighing or measuring instrument shall be used for trade unless it has been verified or re-verified within the period fixed and stamped in the prescribed manner by an inspector with a stamp of verification.

Use of weighing or measuring instrument not verified and stamped prohibited.

16. No weight or measure or weighing or measuring instrument shall be sold or delivered unless it has been verified or re-verified and stamped in the prescribed manner by an inspector with a stamp of verification.

Sale or delivery of weight, measure, weighing or measuring instrument not verified and stamped prohibited.

17. Government may empower any municipality or district local board authorised under this Act to keep secondary and working standards to stamp weights and measures and weighing or measuring instruments.

Empowering municipalities and district local boards to stamp weights, etc.

18. Government shall provide proper and sufficient means for verifying, adjusting and stamping weights and measures and weighing or measuring instruments in the City of Bombay, in all headquarter towns in the districts and at such other places as Government may determine:

Provision of means of verification and stamping.

Provided that municipalities and district local boards authorised to keep secondary and working standards under this Act shall also provide proper and sufficient means for verifying, adjusting, marking and, if empowered under section 17, for stamping weights and measures and weighing or measuring instruments at such places within their respective limits, as Government may determine.

Appointment of inspectors of weights and measures.

19. (1) Government shall appoint a sufficient number of persons with prescribed qualifications as inspectors for keeping the secondary and working standards in safe and proper custody and for the discharge of the other duties of inspectors under this Act and the rules and regulations.

(2) A Municipality or a district local board authorised under this Act to keep secondary and working standards shall also appoint a sufficient number of persons with prescribed qualifications as inspectors for the purpose of performing the duties of inspectors specified in sub-section (1).

(3) The number and scale of pay of inspectors appointed under sub-section (2) shall, except in the case of inspectors appointed by the Municipal Corporation of the City of Bombay be subject to the approval of Government.

Inspectors to enter into recognizance.

20. Every inspector shall forthwith on his appointment enter into a recognizance with Government or the municipality or district local board, as the case may be, in such sum as may be prescribed for the due performance of the duties of his office, for the due payment, at the time and in the manner required by the authority appointing him, of all moneys received by him under this Act and for the safety of the secondary and working standards and the stamps and appliances for verification committed to his charge and for their due surrender immediately on ceasing to hold office.

Verification and stamping by inspectors.

21. (1) Every inspector shall, for the purposes of the verification of weights and measures and weighing or measuring instruments, attend at such time and place within his jurisdiction as may be appointed in this behalf by the authority appointing him.

(2) He shall verify every weight or measure or weighing or measuring instrument which is brought to him for the purpose of verification or re-verification. If he finds such weight or measure or weighing or measuring instrument correct, he shall, if he is an inspector appointed by Government or by a municipality or district local board, empowered under section 17, stamp the same with a stamp of verification in the prescribed manner. If such inspector is one appointed by a municipality or district local board not empowered to stamp under section 17, he shall, after such verification, refer the matter to the nearest inspector appointed by Government for such action as he deems fit.

(3) It shall be competent to Government to empower an officer to inspect the work of stamping done by an inspector appointed by a municipality or district local board within the area under his charge.

Power to inspect weights, etc., and to enter shops, etc., for that purpose.

22. (1) Every inspector authorised in writing in this behalf by the authority appointing him may, at all reasonable times, inspect all weights and measures and weighing or measuring instruments, within the area under his charge, which are used or are in the possession of any person or are on any premises for use for trade and may verify every such weight or measure or weighing or measuring instrument with a secondary or working standard or a weighing or measuring instrument prescribed for this purpose.

(2) Such inspector may seize and detain any weight or measure or weighing or measuring instrument regarding which an offence under this Act appears to have been committed or which appears to have been or which may be used for the commission of such offence.

(3) For the purpose of such inspection, the inspector may at all reasonable times enter into any place where weights and measures and weighing or measuring instruments are used or kept for purpose of trade and inspect such weights and measures and weighing or measuring instruments.

Inspector not to be maker, seller or adjuster of weights and measures or weighing or measuring instruments.

23. An inspector shall not, during the time he holds office, derive any profit from or be employed in the making, adjusting, or selling of weights or measures or weighing or measuring instruments :

Provided that in any area in which it appears to Government desirable that an inspector should be allowed to adjust weights or measures or weighing or measuring instruments, Government may, if it thinks fit, authorise such inspector to adjust weights, measures or such instruments accordingly.

Inspectors to be public servants.

24. Every inspector appointed by a municipality or district local board under the provisions of this Act shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code.

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Government or municipality or district local board may determine difference.

25. (1) If any difference arises between an inspector and any person interested as to the meaning or construction of any rule or regulation or as to the method of verifying, adjusting or stamping any weight or measure or weighing or measuring instrument, such difference may, at the request of the party interested or by the inspector of his own accord be referred to such officer as Government may direct or to the municipality or district local board, as the case may be, and the decision of such officer or the municipality or district local board shall subject to the provisions of sub-section (2) be final.

(2) An appeal shall lie within the time prescribed from the decision under sub-section (1) to Government or such officer as Government may appoint in this behalf. The decision of Government or such officer under this sub-section shall be final.

Expenses of municipality and district local board.

26. Notwithstanding anything contained in any enactment in regard to any municipal or local fund, all expenses incurred by a municipality or district local board under and for the purposes of this Act and the rules and regulations may be paid out of the municipal or local fund.

Levy of fees.

27. (1) Government and with the previous sanction of Government, a municipality or district local board authorised under section 17, or 18, shall charge such fees for the verification, re-verification, marking, adjustment and stamping of weights or measures or weighing or measuring instruments as may be prescribed.

(2) There shall be credited annually to Government—

(*i*) in the case of the Municipal Corporation of the City of Bombay, the Municipality of Karachi and municipalities governed by the Bombay Municipal Boroughs Act, 1925, half of the fees levied under this section; and Bom. XVIII of 1925.

(*ii*) in the case of municipalities governed by the Bombay District Municipal Act, 1901, other than the Municipality of Karachi and district local boards, the balance of the fees levied under this section, after deducting— Bom. III of 1901.

(*a*) in such number of equal annual instalments as may be directed by Government, the expenses

incurred by the said municipalities or local boards as the case may, be in providing and maintaining secondary standards, working standards or weighing or measuring instruments under section 11 and

(*b*) all necessary recurring expenditure of the said municipalities or local boards as the case may be under this Act.

(3) The municipalities and local boards mentioned in clause (*ii*) of sub-section (2) shall forward to Government a quarterly statement of expenditure incurred by them under this Act.

Power of municipalities and district local boards to combine for the purposes of the Act.

28. (1) With the sanction of Government any two or more municipalities or district local boards may combine, as regards either the whole or any part of the area within their jurisdiction for all or any of the purposes of this Act upon such terms and in such manner as may be mutually agreed upon.

(2) An inspector appointed in pursuance of an agreement for such combination shall, subject to the terms of his appointment, have the same authority, jurisdiction and duties, as if he had been appointed by each of the municipalities and district local boards which is a party to such agreement.

Validity of weights and measures, etc., duly stamped.

29. A weight or measure duly stamped by an inspector under this Act shall be a legal weight or measure in all places in which this part has come into force, unless false or defective, and shall not be liable to be re-stamped because used in any place other than that in which it was originally stamped.

Stamped weights, etc., to be *prima facie* deemed correct in any court.

30. A weight or measure or weighing or measuring instrument duly stamped under the provisions of this Act or the rules or regulations shall be deemed to be correct until its inaccuracy is proved, if it is produced in any court by any public servant having charge thereof under the direction of Government or the municipality or district local board, as the case may be, or by any person acting under the general or special authority of such public servant.

PART IV.

PENALTIES.

Penalty for fraudulent use of weight, measure, etc.

31. Whoever, fraudulently uses any weight or measure or weighing or measuring instrument, shall, on conviction, be punished with imprisonment of either description which may extend to three months or with fine extending up to rupees five hundred or with both.

Penalty for making, selling, disposing of false or defective weight, measure, etc.

32. Whoever wilfully or knowingly makes, sells or disposes of or causes to be made, sold or disposed of any weight or measure or weighing or measuring instrument which is false or defective shall, on conviction, be punished with rigorous imprisonment for a period which may extend to three months or with fine which may extend to rupees five hundred or with both.

Penalty for sale by weight or measure other than standard weight or measure.

33. Whoever sells any article by any denomination of weight or measure other than one of the standard weights or measures shall, on conviction, be punishable with fine which may extend to rupees five hundred.

34. Whoever uses or has in his possession for use for trade any weight or measure or weighing or measuring instrument which is not authorised, verified or stamped under or in accordance with the provisions of this Act and the rules and regulations shall, on conviction, be punishable with fine which may extend to rupees five hundred and any trade had or made by such weight or measure or weighing or measuring instrument shall be void.

Penalty for use and possession of weight, measure, etc., not authorised.

35. Whoever in selling any article by weight or measure delivers or causes to be delivered to the purchaser a less weight or measure than is purported to be sold shall, on conviction, be punishable with fine which may extend to rupees three hundred.

Penalty for giving short weight or measure.

36. Whoever uses or has in his possession for use for trade any weighing or measuring instrument not verified or re-verified and stamped under this Act shall, on conviction, be punishable with fine which may extend to rupees two hundred.

Penalty for possessing for use weight, etc., not verified or stamped.

37. Whoever sells or delivers any weight or measure or weighing or measuring instrument not verified or re-verified and stamped under this Act shall, on conviction, be punishable with fine which may extend to rupees one thousand.

Penalty for sale or delivery of weight or measure, etc., not verified or stamped.

38. (1) Whoever forges or counterfeits any stamp used under this Act for the stamping of any weight or measure or weighing or measuring instrument or removes a stamp from

Penalty for forging, etc., of weights, measures, etc.

any weight or measure or weighing or measuring instrument and inserts the same into another weight or measure or weighing or measuring instrument or wilfully increases or diminishes a weight or measure so stamped shall, on conviction, be punished with rigorous imprisonment for a period which may extend to six months or with fine or with both.

(2) Whoever knowingly uses, sells, utters, disposes of or exposes for sale any weight or measure or weighing or measuring instrument with such forged or counterfeit stamp thereon, or a weight or measure so increased or diminished shall, on conviction, be punished with rigorous imprisonment for a period which may extend to six months or with fine or with both.

Penalty for neglect or refusal to produce weight for inspection.

39. Whoever neglects or refuses to produce for inspection all weights or measures or weighing or measuring instruments in his possession or on his premises or refuses to permit an inspector authorised to examine the same or any of them or obstructs the entry of the inspector under section 22 or otherwise obstructs or hinders him in the performance of his duties shall, on conviction, be punishable with fine which may extend to rupees five hundred.

Penalty for breach of duty by inspector.

40. If an inspector knowingly stamps a weight or measure or weighing or measuring instrument in contravention of the provisions of this Act or of the rules or regulations or is guilty of a breach of any duty imposed on him by this Act or by the rules or regulations, he shall, on conviction, be punished with imprisonment of either description for a period which may extend to one year or with fine or with both.

PART V.

RULES AND REGULATIONS.

Power of Government to make rules.

41. (1) Government may make rules for carrying into effect the purposes of this Act.

(2) Without prejudice to the generality of the foregoing provision, such rules may prescribe—

(*a*) the composition, weight, length, form and specifications of secondary standards and the manner in which they shall be made;

(*b*) the places at which, the custody and manner in which secondary standards shall be kept by municipalities and district local boards;

(*c*) the procedure for the verification, re-verification adjustment or renewal of primary and secondary standards and marking of secondary standards;

(*d*) the composition, weight, length, form and specifications and use of working standards, the authority by whom and the manner in which such standards shall be provided, the agency by whom such standards shall be made, the person by whom and the manner in which such standards shall be stamped, and the places at which and the custody and manner in which such standards shall be kept;

(*e*) the procedure for the verification or re-verification and marking of working standards and the person by whom and the place where they shall be verified or re-verified;

(*f*) the number of weighing and measuring instruments to be kept and necessary particulars regarding the same;

(*g*) the authority by whom certified scales shall be provided for the purposes of this Act and the rules and regulations and the manner in which they shall be verified or re-verified;

(*h*) the composition, weight, length, form, specifications and manufacture of weights and measures in use in any area;

(*i*) the inspection, verification, re-verification, adjustment and stamping of weights and measures and weighing or measuring instruments in use in any area, including the prohibition of stamping in cases where the nature, denomination, material or mode of construction of the weight or measure or weighing or measuring instrument appears likely to facilitate the commission of fraud and the period within which such weights and measures and weighing or measuring instruments shall be verified or re-verified;

(*j*) the circumstances and conditions under which and the manner in which stamps may be obliterated or defaced;

(*k*) the tests to be applied for the purpose of ascertaining the accuracy and efficiency of weights and measures and weighing or measuring instruments;

(*l*) the limits of error to be allowed on verification and to be tolerated on inspection either generally or as regards any trade;

(*m*) the amount of error to be tolerated in weights and measures and weighing or measuring instruments used or intended to be used for trade;

(*n*) the fees to be charged for the verification, re-verification, adjustment and stamping of weights and measures and weighing or measuring instruments and the collection and levy of the same;

(*o*) the seizure, detention and destruction of weights and measures and weighing or measuring instruments which are not authorised by this Act and in regard to which no regulations have been made under section 42;

(*p*) the matters other than those specified in section 42 in respect of which regulations may be made by municipalities or district local boards;

(*q*) the qualifications, functions and duties generally of inspectors under this Act and the rules and regulations;

(*r*) any other matters for which no provision or insufficient provision is made in this Act and for which provision is, in the opinion of Government, necessary.

(3) The power to make rules under this section shall be subject to the condition of previous publication in the *Bombay Government Gazette.*

The rules made under this section shall be laid on the table of the Bombay Legislative Council for not less than one month previous to the next session thereof and shall be liable to be rescinded or modified by a resolution of the said Council. If any rule is modified, the Governor in Council may accept the modification and republish the rule accordingly, or may rescind the rule.

Power of municipality and district local board to make regulations.

42. (1) Every municipality and district local board, authorised to keep secondary or working standards under this Act shall, with the previous sanction of Government, make regulations not inconsistent with this Act and the rules for the area subject to its jurisdiction, providing for—

(*a*) the verification, adjusting and stamping of weights and measures and weighing or measuring instruments in use within the area subject to its jurisdiction and for the stamping thereof, when such municipality or district local board is empowered under section 17;

(*b*) the seizure, detention and destruction of weights and measures and weighing or measuring instruments which are not authorised by this Act;

(*c*) the inspection of weights and measures and weighing or measuring instruments;

(*d*) the duties generally under this Act of the inspectors appointed by such municipality or district local board; and

(*e*) any other matters in respect of which it is authorised by rules to make regulations.

(2) The regulations for the time being in force shall be kept open for public inspection at the municipal and district local board offices at all reasonable times and printed copies thereof in the vernacular language of the area subject to the jurisdiction of the municipality or district local board, and in the case of city and borough municipalities in English as well as in the vernacular shall be kept on sale at cost price.

PART VI.

MISCELLANEOUS.

Protection to persons acting in good faith.

43. No suit, prosecution or other legal proceeding shall be instituted against any person for anything which is in good faith done or intended to be done under this Act or the rules or regulations.

Cognizance of offences.

44. No prosecution under this Act shall be instituted except by or with the previous sanction of the Collector or any officer specially empowered by him or by Government in this behalf.

Delegation of powers by Government.

45. Any of the powers and duties conferred and imposed upon Government by this Act may be exercised and performed, subject to such conditions as Government may think fit, by any person whom Government may, by general or special order, empower in this behalf.

Power to exempt specified persons, articles or trades from provisions of the Act.

46. Government may, after previous publication by notification in the *Bombay Government Gazette*, and subject to such conditions and restrictions as it may think fit to impose, exempt any class of persons, any commodity, trade or any class of trades specified in the notification, from all or any of the provisions of this Act.

Repeal and amendments.

47. On the coming into force of this Part in any area—

(*a*) the enactments specified in Part I of the second schedule shall be deemed to have been amended to the extent and in the manner specified in the third column thereof;

(*b*) the enactments specified in Part II of the said schedule shall be deemed to have been repealed, so far as they apply to the Presidency of Bombay, to the extent specified in the third column thereof:

Provided that—

(*i*) the said repeal shall not affect the validity or invalidity of anything already done under the enactments repealed by this Act;

(*ii*) all appointments made, notifications and notices issued, rules, by-laws and orders made, contracts entered into and suits and other proceedings instituted under any Act or enactment repealed by this Act shall, so far as they are not inconsistent with the provisions of this Act and the rules and regulations, continue in force and be deemed to have been made, issued, entered into and instituted under this Act.

THE FIRST SCHEDULE.

(*See* Section 4.)

Standard Weights and Measures.

Weights—

The Bombay Tola of 180 grains.

The Bombay Seer of 80 tolas.

The Bombay Maund of 40 seers.

The sub-multiples $\frac{1}{2}$, $\frac{1}{4}$, $\frac{1}{8}$, $\frac{1}{16}$ and $\frac{1}{32}$ and the multiples, 2, 4 and 8 of the tola, seer and maund.

The pound avoirdupois equal to 7,000 grains and the sub-multiples $\frac{1}{8}$, $\frac{1}{4}$, $\frac{1}{2}$, 1, 2, 4 and 8 ounces, the multiples 1, 2, 4, 7, 14, 28 lbs. (a quarter), 56 lbs., 112 lbs. (1 cwt.) and 2,240 lbs. (1 ton).

The grain is that unit of weight in vacuo which when multiplied by 1799·84585 is the weight of the iridio-platinum cylinder in the custody of the Mint Master, Bombay, the value of which is certified by the Standard Department of the British Board of Trade as 1799·84585 grains in vacuo.

Explanation 1.—The equivalent value of the abovementioned iridio-platinum cylinder when weighed in Standard Indian Air against Brass Weights having a specific gravity of 8·143 is 1800·00394 grains, *i.e.*, a brass weight whose value in vacuo is 1800·00394 grains, will exactly equilibrate the abovementioned iridio-platinum cylinder in Standard Indian Air.

Explanation 2.—Since the Bombay tola equals 180 grains in vacuo, its absolute value is equivalent to ·10000856 of the absolute value of the abovementioned iridio-platinum cylinder. But in practice, all verifications against the abovementioned iridio-platinum cylinder are carried out by weighments in air, and therefore the value 1800·00394 grains is always used for verifying weights.

Explanation 3.—Standard Indian Air is defined as follows:—

Temperature : 85 deg. Fahr.—29·44 deg. Cent. Pressure: A column of mercury at 0 deg. C. 29·8 inches or 756·919 mm. in height. Carbon diox. gas: 0·0006 of the volume of air. Vapour tension: 0·75 inches=19·05 mm. Latitude at Calcutta 22° 35′ 6·6″. Height above M.S.L. 22·6 feet. 1 litre of Standard Indian Air at Calcutta weighs 1·14917 grm.

Dry measures—

The Bombay seer.

The sub-multiples ½, ¼ and ⅛ seer.

The Bombay Chatak $=\frac{1}{16}$ seer.

The Adpao $=\frac{1}{8}$ seer.

The Adholi $=2$ seers.

The Bombay payali of 4 seers.

The Bombay Maund of 16 payalis.

The Bombay Map of 2 maunds.

Liquid measure—

The Bombay seer.

The sub-multiples $\frac{1}{2}$, $\frac{1}{4}$, $\frac{1}{8}$ and $\frac{5}{16}$ seer.

The multiples 2, 4 and 8 seers.

The Imperial gallon.

The Pint $=\frac{1}{8}$ gallon.

Dry and Liquid measures—Explanations—

Explanation 1.—The unit of capacity called the Bombay seer is equivalent to the volume occupied by 80 tolas of air-free distilled water weighed in Standard Indian Air against brass weights having a specific gravity of 8·143.

Explanation 2.—The unit of capacity called the Imperial gallon contains ten British Standard pounds of water at 62°F. being in volume 277·274 cub. in., which contains each 252.724 grains of water in a vacuum at 62° or 252.458 grains of water weighed with the brass weights in air of 62° with the barometer at 30 in.

Length—

The Yard—

The Inch $=\frac{1}{36}$th yard, and

The Foot $=\frac{1}{3}$rd yard.

The Furlong of 220 yards.

The Mile of 1,760 yards.

The yard is that unit of length which is exactly equal to the certified yard kept in the custody of the Mint Master, Bombay.

Area and volume—

The Square Yard, Square Foot and Square Inch.

The Cubic Yard, Cubic Foot and Cubic Inch and sub-multiples of a Cubic Inch.

The anna of $\frac{1}{16}$ of the guntha.

The Guntha of 121 square yards and the acre of 4,840 square yards for land measurement.

The Square of 100 square feet.

The Brass of 100 cubic feet.

THE SECOND SCHEDULE.

(*See* section 47.)

PART I.

Enactments amended.

No. and year of Act.	Title.	Amendments.
		Acts of the Governor of Bombay in Council.
III of 1901	The Bombay District Municipal Act, 1901.	For section 143 the following section shall be substituted, namely :—
		"143. The president, vice-president, or any councillor or officer authorised by the municipality in this behalf may at all reasonable times enter into any place where weights or measures or weighing or measuring instruments are used or kept for purposes of trade and inspect such weights or measures or weighing or measuring instruments." Powers of inspection of weights and measures, etc.

No. and year of Act.	Title.	Amendments.
VI of 1923 ..	The Bombay Local Boards Act, 1923.	After section 61A the following section shall be inserted namely :—
		"61B. The president, vice-president, or any councillor or officer authorised by the local board in this behalf may at all reasonable times enter into any place where weights or measures or weighing or measuring instruments are used or kept for the purpose of trade and inspect such weights or measures or weighing or measuring instruments."
		Powers of inspection of weights and measures, etc.
XVIII of 1925 ..	The Bombay Municipal Boroughs Act, 1925.	For section 177 the following section shall be substituted, namely :—
		"177. The president, vice-president, chief officer or any councillor authorised by the municipality in this behalf may at all reasonable times enter into any place, where weights or measures or weighing or measuring instruments are used or kept for purposes of trade and inspect such weights or measures or weighing or measuring instruments."
		Powers of inspection of weights and measures, etc.

PART II.

Enactments repealed.

No. and year of Act.	Title.	Extent of repeal.
		Acts of the Governor-General in Council.
XXXI of 1871 ..	The Indian Weights and Measures of Capacity Act, 1871.	The whole.
II of 1889 ..	The Measures of Length Act, 1889.	The whole.
		Acts of the Governor of Bombay in Council.
Regulation XII of 1827.	A regulation for the establishment of a system of police throughout the zilas subordinate to Bombay for providing rules for its administration, and for defining the duties and powers of all police authorities and servants.	Section 20.
III of 1886 ..	The Bombay General Clauses Act, 1886.	In Schedule B the entry relating to section 20 of Bombay Regulation XII of 1827.
III of 1888 ..	The City of Bombay Municipal Act, 1888.	Section 418, 419 and 420. Section 461, clause (*o*), sub-clause (i). In section 471, the entries relating to section 420, sub-section (2), clauses (*a*), (*b*), (*c*) and (*d*) and sub-section (3), clauses (*a*) and (*b*).
III of 1901 ..	The Bombay District Municipal Act, 1901.	Clauses (*e*) and (*ee*) of sub-section (1) of section 48.
IV of 1904 ..	The Bombay District Municipal (Amendment) Act, 1904.	Section 3.
IV of 1921 ..	The City of Bombay Municipal (Amendment) Act, 1921.	Section 2, 3 so far as it relates to sub-clause (i) of clause (*o*) of section 461 and section 4.
XVIII of 1925 ..	The Bombay Municipal Boroughs Act, 1925.	Clauses (*h*) and (*i*) of section 61.

THE BUDGET.

Extract from the proceedings of a meeting of the Legislative Assembly, held in New Delhi, on Tuesday, 28th February 1933.

Speech by the Hon'ble Finance Member on introducing the Budget Proposals for 1933-34.

1. The story which I have to tell this year of the public finances of India is a simple and—viewed merely as a matter of public finance—a satisfactory one. The emergency plan which we introduced in September 1931 was designed to produce budgetary equilibrium for the two years 1931-32 and 1932-33, and now, as we approach the end of the second of these two years and take stock of the position, we can confidently say that our plan has worked.

2. *Summary of results for* 1931-32 *and* 1932-33.—Let me briefly summarise the position. The results for the year 1931-32 turned out to be nearly two crores better than I anticipated in my Budget speech last March, and the accounts for the year showed a deficit, after providing nearly 7 crores for Reduction of Debt, of $11\frac{3}{4}$ crores.

For the current year (1932-33), our latest revised estimates indicate that our Budget forecast of a surplus of 215 lakhs will be almost exactly realised, and that the surplus—after providing again nearly 7 crores for Reduction of Debt—will be 217 lakhs.

The results for the two years combined thus show a total budgetary deficit of 9·58 crores against which may be set the total provision made for Reduction of Debt of 13·73 crores. We may therefore say that in the two years from April 1st, 1931, to March 31st, 1933, which I think may be fairly described

as the two most difficult years for public finance, that the world in times of peace has ever known, we shall not only have paid our way, but have provided a net sum of 4 crores, 15 lakhs for the Reduction of Debt. I think that this result is one which is a legitimate cause for satisfaction, and which amply justifies the great improvement in the credit of the Government of India which the recent rise in our security prices has shown.

3. It is interesting to make a short comparison between these results and the forecasts which I gave when I introduced the emergency plan in September 1931. We then anticipated, after allowing for the normal provision for Reduction of Debt, a deficit of 10·17 crores for 1931-32 to be followed by a surplus of 5·23 crores for 1932-33, and that the net amount available for the Reduction of Debt in the two years, after allowing for the deficit on the combined results, would be 9·11 crores. As I have just shown, we now anticipate that the net figure available for the reduction of debt will be 4·15 crores, so that we are about 5 crores below our original estimate for the two years. As the combined amount involved in the two years is about 260 crores on each side of revenue and expenditure, I think we may claim that our forecast showing a variation of only 2 per cent. from the result was, considering the complete instability of the time, fairly near the mark.

It is also interesting to examine where the main differences from our estimates occurred. Revenue for the two years is 10·42 crores less than was forecasted, but expenditure was also less than the estimates by 5·78 crores. The reduction in expenditure is accounted for largely by savings in interest charges owing to the improvement of Government credit and the cheaper money conditions which have supervened ; but

there has also been a realisation of administrative economies beyond what we felt safe in hoping for last year. I shall deal later in greater detail with the position as regards expenditure, but Honourable Members will, I feel sure, regard it as satisfactory that the figures for these two years should show such a substantial reduction as compared with our estimates.

Table summarising Budgetary forecasts and results for 1931-32 and 1932-33.

	Revenue.	Expenditure (including provision for reduction or avoidance of debt).	Surplus or Deficit.	Provision for reduction or avoidance of debt included in expenditure.	Surplus of receipts over expenditure other than Reduction of Debt.
Emergency budget—					
1931-32	1,26,13	1,36,30	—10,17	6,90	—3,27
1932-33	1,33,06	1,27,83	+5,23	7,15	+12,38
Combined result for both years	2,59,19	2,64,13	—4,94	14,05	+9,11
Estimate at Budget Session, March 1932—					
1931-32 (Revised) ..	1,20,77	1,34,43	—13,66	6,89	—6,77
1932-33 (Budget) ..	1,29,96	1,27,81	+2,15	6,82	+8,97
Combined result for both years	2,50,73	2,62,24	—11,51	13,71	+2,20
Present estimates—					
1931-32 (Actuals) ..	1,21,64	1,33,39	—11,75	6,89	—4,86
1932-33 (Revised) ..	1,27,13	1,24,96	+2,17	6,84	+9,01
Combined result for both years	2,48,77	2,58,35	—9,58	13,73	+4,15

4. *Expectations for next year* (1933-34).—With a surplus of 217 lakhs anticipated as the final result for the current year, the next question is whether we can expect a repetition of such a surplus next year. In order to explain the answer which I have to give to that question it is necessary to analyse the factors which have contributed to the current year's result, and to review the general economic position. In anticipation of this examination, I may remind the House of one important feature in the position, namely, that our revenue during the past 18 months has been specially augmented by the process of abolishing the salt credit system, the effect of which has been to give us the equivalent of two years' duty on credit salt in the space of 18 months. As a result, we have benefited during 1932-33 by a special non-recurring addition of about 150 lakhs to our revenue. That of course drops out next year.

5. *Economic position.*—The general features of the economic position are so well known, and so closely resemble those which I had to describe last year that I need not deal with them at length. Again, as last year, I can say that the monsoon was fairly normal for India as a whole, and that so far as climatic conditions are concerned, India might have been enjoying a year of normal prosperity*. Again, as last year, I can say that world economic conditions have been the overriding factor, and that India's trade and purchasing power

* The monsoon was normal for India as a whole except in Bihar, the East United Provinces and North Madras coast. Otherwise, though lighter than usual, it was fairly well distributed and fortunately rainfall in September was above the average. The sowing conditions for monsoon crops were only moderately favourable: sowing conditions for cold weather crops were generally favourable. The winter rains have been below the average, and the yield of the crops now on the ground will depend to a greater extent than usual on the weather during the next few weeks. Slight frost damage in January has been reported from a number of places.

have been suffering from the terribly low levels to which prices and demand for commodities have declined. In the latter respect, the current year has touched still lower depths. Last year, it seemed reasonable to hope that a move would be made to settle the world troubles, and that with the detachment of sterling from gold, we might see a substantial rise in prices for commodities, at least in terms of sterling and of the currencies linked with sterling. Unfortunately neither of these hopes has been realised. A good start was made at the Lausanne Conference in June, and the provisional agreement then achieved, which would have resulted in the removal of the disturbing factor of Reparation payments, spread at the time a feeling of justifiable optimism. But unfortunately the possibility of executing this agreement depends on the balancing cancellation of war debts, and for this problem there is no solution yet in sight. Indeed, except among the nations of the British Commonwealth, for which within their own area the Ottawa Agreement holds out hopes of improvement, there has been no advance towards that international co-operation which is so badly needed; and for the world in general, it is unfortunately true to say that there has been not only no quickening up of the normal flow of trade, but on the contrary, the restrictions which so many countries have been forced to impose on trade and exchange, in order to maintain their balance of payments, have operated still further to check the international exchange of goods. As regards prices, the anticipated rise in rupee and sterling prices has not materialised. The position, broadly speaking, is that, after an initial rise, prices towards the end of the period under review, showed again a falling tendency, with the result that although the average level of prices on the basis of which India's exports during 1932 were sold is slightly

higher than during 1931, the general level of prices at the end of the year had fallen below this average. The most that one can say is that countries with currencies linked to sterling have fared much better than those which are still on a gold basis.

If Honourable Members are interested in studying the position, I would commend to their attention the Review of the main items of India's foreign trade for 1932, which has been prepared by Dr. Meek, the Director-General of Commercial Intelligence and Statistics, and which I propose to circulate as usual with the budget papers. In my present speech I can only deal with the broad aspects of the position.

6. The results of the further deterioration in the general world position are revealed in India's export figures which for the 10 months from April to January showed a total value of 110½ crores as compared with 124¾ crores for last year.

7. In the case of practically all the main items, the decline is accounted for by a fall in the quantities rather than the price of the articles exported. This is true of the following decreases,—cotton exports 6½ crores, jute 1¾ crores, grain, pulse and flour about 2 crores, seeds just over 2 crores. The only exception to this, under the major heads of exports, is the case of Tea where a slight increase in the quantity exported has been accompanied by a fall of 3 crores in value.

8. I may at this stage note that during 1932 there was a slight improvement from India's point of view in the correction of the disparity between the price levels for the main articles which she has to sell and those which she has to buy. According to *Table XV* of Dr. Meek's review, it is shown that the average index figure for the main export articles

taking 1913-14 prices as 100, was 77 for 1931 and 79 for 1932. On the other hand, the index figure for the main articles of import averaged only 84 in 1932 as compared with 87 in 1931.

9. For appreciating the significance of the comparison which I have made between exports for the first 10 months of the current year and last year, it is necessary to compare the present figures with the general average levels for the post-war period. In the figures for the current year, the most striking feature has been the fall in the exports of Indian cotton which has been only offset to a very small extent by an increase of the consumption of cotton by Indian mills, for they have provided for their larger production mainly by greater purchases of imported cotton. Comparisons between results for the calendar year 1932 and the average for the 10 years from 1920 to 1930 bring out the same point.

		Quantities.			Values.		
		Average of 10 years ending 1930.	1932.	Percentage.	Average of 10 years ending 1930.	1932.	Percentage.
					Rs. (lakhs).	Rs. (lakhs).	
1.	Cotton, raw .. Ton (000)	616	286	46	69,09	16.03	23
2.	Hides and Skins (Raw and Tanned) .. Ton (000)	70	42	60	13,95	7,76	56
3.	Jute, raw and manufactured .. Ton (000)	1,499	1,176	78	72,84	31,49	43
4.	Tea .. .. lb. (millions)	346	308	106	27.06	16,89	62
5.	Groundnuts* .. Ton (000)	448	472	105	11,21	8,11	72
6.	Rice (not in the husk) .. .. Ton (000)	2,067	2,076	100	36,98	17,16	46

* The trade in groundnuts has been expanding rapidly during the period.

This table shows how terribly the value of India's exports has declined compared with what had come to be accepted as a normal level in the post-war period. But even so, the figures as regards quantities exported—with the sole exception of cotton—have kept up in a manner which seems to justify

the view that India has not even yet suffered quite so badly as most of the other countries producing primary agricultural products.

Raw cotton is by far the worst sufferer and during 1932, the exports had fallen in quantity by more than a half, a fall which, as a result of the lower prices, is increased to one of more than three-quarters in value as compared with the average for the past 10 years. For jute, the fall in volume was about a quarter, while the fall in value is more than a half. In the case of tea, although the volume of export was more than maintained, the value was reduced by more than a third. In the case of rice, the volume of export was maintained but the value fell by over 50 per cent. Groundnuts, on the other hand, show an increase in quantity but a decline in value.

10. While the value of India's exports has thus further declined this year as compared with last, the course as regards imports has been strikingly different. For these, at 112¾ crores for the first 10 months of the current year, show a rise of about 7½ crores on the corresponding 10 months of last year. Here again an examination of the actual changes in the case of the main articles of imports is interesting and suggestive. By far the largest item is the increase of just over 7 crores in cotton piece-goods and yarns. It may perhaps be said that in this case exceptional factors have come into play, because the preceding period with which it compares, influenced as it was by non-economic factors such as the boycott, can hardly be regarded as normal. The important fact to remember, however, is that this increase in imports of cotton piece-goods was accompanied by a striking growth in the production of Indian mills,— which according to Dr. Meek's figures, increased by about 11 per cent. or 284 million yards in the first 11

months of 1932 as compared with 1931. It must also be noted that there has been a marked increase in the imports of other piece-goods, woollen, silk, artificial silk and mixtures.

The increase in Indian production of cotton goods account for the next interesting item of increased imports on which I must comment, namely, of raw cotton, which at 6·36 crores are 79 lakhs up on last year. The steady growth during recent years in these imports is most remarkable. Taking the "cotton years" up to August 31 in each case, imports of foreign cotton expanded from just over 20,000 tons in 1928-29 to 97,000 tons in 1931-32.

11. Another interesting item is machinery, where the imports at 9½ crores are only a few lakhs less than last year. Here there would have been a much greater fall if it had not been for a striking increase in the imports of plant for sugar factories, the imports of which in the 9 months to the end of December amounted in value to 138 lakhs as compared with 30 lakhs last year and only 9 lakhs in 1929-30.

In the case of certain other machinery too, there have been increases which are encouraging. Thus, taking the full calendar year 1932 as compared with 1931, cotton machinery increased from 180 to 208 lakhs, while tea, jute and wool machinery increased by 13, 3 and 1 lakh, respectively.

12. These are the chief items of expanding imports. As against this, I must comment on the two most striking examples of declines. Imports of foreign sugar at 3·66 crores are down by 1⅓rd crores. This indicates the continuance of a steady process of decline in the value of sugar imports which for 1930-31 was about 9 crores, and in 1929-30 about 14 crores. The decline may be partly due to decreased purchasing

power as evidenced by decreased consumption of refined white sugar, but I think it is a fair appreciation of the position to say that it is mainly due to the increase of Indian production. I explained last year that we estimated the production of Indian sugar to be increasing at the rate of 60,000 tons per annum, and it looks now as if this rate were being considerably accelerated. I shall deal later with the effects of this on our revenue position.

13. Another striking example of decline is the case of vehicles—mainly of course motor-cars, buses and lorries which at 304 lakhs for the 10 months, show a decline of 89 lakhs on last year and are less than ⅓rd of the value in 1929-30.

It is probable that I shall be told in the course of debate that the decrease is mainly due to the high level of our import duties. I think it more correct to regard it as mainly caused by loss of purchasing power, which on the one side restricts luxury expenditure, and on the other, induces owners of cars and heavy vehicles, which are not used for luxury purposes, to avoid replacements which are not absolutely necessary.

14. It is not possible in a budget speech to go into all the interesting details in our trade returns, and I am concerned now only with broad conclusions, and more particularly with those that affect our revenue estimates. With some of these broad conclusions I wish now to deal. In the first place, the results as regards imports, combined with the figures of Indian production of such articles as salt and kerosine and cotton piece-goods seem to reinforce one of the points which I emphasised in my speech last year—namely, the extraordinary power of resistance, in spite of diminished purchasing power, which India shows in maintaining the consumption of certain standard necessities of the masses.

15. I have had a table prepared, which will be printed with this speech, analysing the results as regards certain main articles of consumption classified under three heads—luxury articles, requirements of industry, and necessities of the masses. The classification cannot be entirely accurate, and it is difficult to say exactly where such articles as sugar and artificial silk piece-goods should be placed ; but if one takes such articles as cotton piece-goods, kerosine and salt as necessities for the masses, machinery, lubricating oil, cement and chemicals as industrial requirements, and tobacco, liquors and motor-cars as luxuries, one can at least draw interesting conclusions.

In order to get at the figure of consumption I have taken imports plus local production for articles which are produced in India, and imports only for those articles which are not. This again may not be entirely accurate for a particular year, for some of the imports and home production may have gone into stock, particularly in the case of cotton piece-goods during 1932 ; but it affords a rough guide, and, for an average of years, must be fairly accurate. On this basis I have made a comparison between the consumption for the calendar year 1932 and the average annual consumption for the ten year period from 1920 to 1930, which may be regarded as a period of prosperity with high prices and high purchasing power. The table shows both quantities and values. Values have been calculated as follows. In the case of articles which are only imported, the declared values have been taken and the various rates of import duties during the ten year period have been added. For articles which are both imported and manufactured, the value of the internal production has been estimated on the basis of the declared value of the corresponding imports, together with the appropriate rate of duty for each year of the period.

The results shown in this table are, I think, extremely interesting. As regards the three articles which I have taken as necessities for the masses, the quantities of consumption are in all cases higher for 1932 than for the ten year average 1920-30. Piece-goods with a total of 5,827 million yards as compared with 4,923 million yards for the earlier period are 18 per cent. up. Kerosine oil with a total of 235 million gallons as compared with 232 million gallons for the earlier period is 1 per cent. up. Salt, with a consumption of 2,106,000 tons as compared with 1,965,000 tons for the earlier period is 7 per cent. up.

Turning to values, there is of course a fall in these for 1932, owing to the lower prices prevailing in spite of the higher duties. The total value of all these three commodities consumed in 1932 was 162 crores representing 78 per cent. of the average for the ten year period, which was 207 crores.

In the case of the articles required by Industry, it is of course impossible to compare quantities for such miscellaneous heads as machinery and millwork or chemicals. The table shows a fall in value for machinery and millwork of about 40 per cent. which, allowing for the fall in prices, must indicate a very much smaller fall in quantities ; a fall both in quantity and value of lubricating oil of between 30 and 40 per cent. ; an increase in quantities of cement accompanied by a fall in values ; and an increase of 26 per cent. in the value of chemicals. The total value of all these articles for 1932 is 70 per cent. of the value for the ten year period.

Turning to luxuries, there is a very heavy fall in motor-cars, with a figure of 5,300 cars for 1932 as compared with an annual average of 11,400 in the earlier period. Quantities

represent 46 per cent. only, and values 43 per cent. only of the earlier period. I would note here that the value per car has fallen in spite of the increased duties. Tobacco consumption for 1932 represents 61 per cent. in quantity and 51 per cent in value of the earlier period, and liquors 92 per cent. and 73 per cent. respectively. Altogether, the total value of three luxury articles consumed in 1932 represents 58 per cent. of the average value for the earlier period.

I think it is fair to say that these figures indicate that certain luxury and quasi-luxury articles show very heavy decreases in consumption ; that industry has stood up fairly well, and that in certain fields—particularly the sugar industry and the textile industry—expansion in India is still progressing in spite of the world slump ; and lastly that as regards the necessities of the masses, the consumption figures are being maintained in a most remarkable way in spite of loss of purchasing power, while in spite of increased excise and import duties, consumers have had a substantial benefit from the fall in prices.

I must add in conclusion, one obvious but most important point namely, that the really striking falling off in India's normal consumption has been in the case of precious metals. As is well known, India imported gold and silver of the average annual value of about 40 crores in the years from 1920-30. The power to cut out this enormous margin has been a tremendous factor—equal in importance, almost to the actual sale of gold, to which I shall refer later—in enabling India to go through this period of depression without being forced to cut down her normal absorption of those commodities which are needed for daily consumption.

16. The figures in the following table indicate imports, except in the case of articles marked* where the quantities given include figures of production so far as available. In the case of salt, production figures relate to British India excluding Aden. The value figures of production have been estimated on the basis of the average declared value for imports :—

		Quantities.			Values (*cum* duty).		
		Average of 10 years ending 1930.	1932.	Percentage.	Average of 10 years ending 1930.	1932.	Percentage.
					Rs. (lakhs).	Rs. (lakhs).	
(A)	*Luxury articles*—						
1.	Motor-cars .. No. (000)	11·4	5·3	46	3,50	1.51	43
2.	Tobacco .. lb. (000)	8,396	5,104	61	4,03	2,06	51
3.	Liquors .. .. Gal. (000)	5,915	5,429	92	5,93	4,30	73
	Total of (A)	..	..	..	13,46	7,87	58
(B)	*Requirements of Industry*—						
4.	Machinery and millwork	..	..	..	19,02	12,04	61
5.	Lubricating oil * Gal. (Million).	22·3	14·3	65	2,28	1,57	69
6.	Cement* .. Ton (000)	492	551	112	3,73	2,86	77
7.	Chemicals	..	..	..	2,64	3,34	126
	Total of (B)	..	..	..	28,27	19,81	70
(C)	*Necessities for the masses*—						
8.	(*a*) Cotton piece-goods (Mill-made)* Yds. (Millions).	3,677	4,327	118	131,72	99,40	76
	(*b*) Cotton piece-goods (hand-loom) Do.	1,246	1,500	120	44,85	34,46	77
	Total .. Do.	4,923	5,827	118	176,57	133,86	76
9.	Kerosine oil* .. Gal. (Millions).	232	235	101	17,73	16,27	92
10.	Salt* .. .. Ton (000)	1,065	2,106	107	12,74	11,84	93
	Total of (C) ..	..	..	..	207,04	161,97	78
(D)	*Articles of doubtful classification*—						
11.	Artificial silk piece-goods. .. yards. (Million).	27·8	116·2	418	2,24	4,38	196
12.	Sugar .. .. Ton (000)	781	781	50	23,69	12,75	54

17. I must now turn to another broad aspect, the position as regards the balance of trade and of payments. With exports for the 10 months at 110½ crores and imports at 112¼ crores, India has a slight adverse balance of trade in merchandise. As in the last months, however, the tendency has changed, and there has been a reduction in the adverse margin, one may not unreasonably anticipate that the year will end with an even balance. But, owing to India's large "invisible imports"—mainly represented by external obligations—an even balance of trade in merchandise falls far short of giving us an even balance of payments, and therefore India could not support the present volume of imports without very embarrassing results, unless the position were being helped by some other factor. That factor in the present case has been, as Honourable Members well know, the export of gold. I do not propose to give a mass of figures illustrating this aspect of the matter now, because I dealt with it very fully in a speech at the Ottawa Conference which I believe most Honourable Members have seen. The broad fact is that India could not, with exports at their present level, support the present volume of imports simultaneously with meeting her external obligations unless they were supplemented by gold exports. What is happening now may be put in two different ways, either that part of India's consumable imports are being paid for in gold, or that gold sales are providing the means to meet external obligations and, as I shall hereafter explain, to accumulate reserve in external currencies. The truth really is that what is happening is a combination of the two processes, for it must be remembered that so far as concerns the individuals who make up the mass of producers of goods for export and consumers of imported goods, they have to pay for the latter with customs duties added, and as customs

duties on the 112 crores worth of goods imported for the 10 months of the current year amount to 38 crores, one may say that the exports to the value of 110 crores are being supplemented by gold sales in order to pay for goods at the imported value of 150 crores, so that 40 crores of the gold proceeds have been used to pay for consumable goods. To this extent therefore it may be said that India is helping herself to tide over a period of unexampled depression by drawing on her reserves of gold, and thereby avoiding reducing her consumption to the desperately low level which would otherwise be necessary. This, however, is by no means the whole story, and as there are many questions arising in connection with gold exports which have a vital bearing on the welfare of the nation, and as I know that Honourable Members take very great interest in it, I propose to deal with this subject again, as last year, at some length.

18. In the first place, I know that there are many who regard what is happening as a dangerous process of living on capital. I think it fairer to regard it, as indeed I pointed out last year, as a process partly of exchanging one form of investment for another, and partly of tiding over a period of abnormal difficulty by drawing on reserves which had been accumulated in better times; reserves, moreover, which produce no revenue, so that their depletion does not bring about any decrease of income. To that extent, we have regarded the process as a legitimate use of reserves, which has on the whole been beneficial to the people. How long such a process can, without damaging the country, continue is another matter, but I must point out that so far as Government is concerned nothing that it could do could prevent individual owners of gold selling their gold and using the proceeds for investment in other forms or for the purchase of consumable goods.

19. There is, however, another beneficial aspect of the process to which I think it important to direct attention. I have already commented on what is the worst feature of the present world situation, namely, that practically every nation today in order to preserve its balance of international payments has been forced to put artificial restrictions on its imports, by way of high duties and exchange restrictions. This is checking the flow of international trade, so that its channels are gradually becoming completely dry, and is the main evil from which the world today is suffering. We ourselves by increasing our own import duties have done something to add to the evil, but if the flow of imports into India had not been helped by the exports of gold, the case would have been very much worse. India in fact has been able to release into the world a commodity for which alone there is an undiminished market and the possession of which, if it is used as a basis for currency, does not diminish, but rather increases the purchasing power of the countries which absorb it. By doing so, India has been enabled to take more imports and thereby in this second way also to increase the purchasing power of her own potential customers. This last point indeed must always be borne in mind, for we cannot restrict our own imports without weakening the market for our exports of merchandise.

20. There is still a third point on the credit side of the account to which I must call attention. The proceeds of the gold which have been sold have only to a limited extent been balanced by the purchase of consumable commodities. A great portion has undoubtedly been invested. The increased demand for Government securities affords general evidence of this, and that the process has been widespread and not confined to the richer classes, can be very clearly seen from

the figures of Post Office cash certificates and Savings Bank deposits. The figures here are most striking. Making very conservative allowances for what we shall get in the last two months of the year, we estimate the net investment in Post Office cash certificates this year at 10 crores and the net addition to savings bank deposits at 4·35 crores. Both these figures greatly exceed any previous record, and I may point out that the figure of 10 crores for Post Office cash certificates compares with average net receipts of about $2\frac{3}{4}$ crores annually for the period from 1917, when these certificates were first started, until March 31st, 1931. Moreover the high figure for this year follows on the exceptionally high figure of 6·15 crores for net receipts last year. These figures therefore clearly show that proceeds of gold sales have been converted into investments by the poorer classes, and although the Indian habit of accumulating reserves of gold has stood the country in good stead in the present crisis, I feel forced to regard it as a beneficial advance that the exceptionally high price of gold in rupees should have started a process of exchanging barren gold reserves for interest bearing Government securities as a form of investment. If only the process is kept in proper channels, and the people of India are not misled, as the people of the United States were in the post-war boom, to putting their savings into wieldy speculative investments, the result must in the long run be of great benefit to India.

21. But I must now turn to another aspect of the matter. There may be some who would agree that there is some truth in what I have said up to this point, but who have an uncomfortable feeling that the country is being weakened by the process, and that Government, if they had adopted a different policy, could have prevented this weakening. Such people

argue that, even if we could not prevent private individuals, who wish to do so, from selling their gold, Government ought to have acquired it for themselves and thus have prevented it leaving the country. I shall deal later with the criticism of Government policy. For the present, I am only concerned with presenting an account of what has actually happened, and I think that Honourable Members will find the account interesting. I propose to take the period of 15 months from the end of September 1931, just after England went off the gold standard, up to December 31, 1932, and shall endeavour to put the position in the simplest possible form.

22. In this period of fifteen months, India on balance exported 107·03 crores of gold. We may thus take it that private individuals during this period acquired out of the proceeds of gold exports balances in external currency, probably mainly in sterling, to the extent of £ 80⅓rd millions. During this same period, exports of merchandise were 181·37 crores and imports 161·45 crores, giving a favourable balance of 19·92 crores equivalent to, say £ 15 millions. This sum also may be taken as having been converted into external currency balances by private individuals. Adding this £ 15 millions acquired, against merchandise, to the total of £ 80⅓rd millions acquired against gold exports, the total external balances acquired by private individuals from October 1st, 1931, to December 31st, 1932, amounts to £ 95⅓rd millions. Out of this sum, Government has acquired by its purchases in the market as currency authority no less than £ 69⅔rds millions.

The balance of £ 25⅔rds millions has been retained on private account. I will deal with this latter portion later and consider first what the Government has done with the sterling balances of £ 69⅔rds millions which it has itself acquired.

23. In the first place, Government has used about £ 34 millions in meeting its ordinary recurrent commitments.

Secondly, it has used £ 15 millions in discharging the 5½ per cent. sterling loan which matured on January 1st, 1932, thereby liquidating an obligation which cost it £ 825,000 equivalent to Rs. 110 lakhs per annum, and greatly strengthening its credit in London.

Thirdly, Government has added about £ 11 millions to its currency reserves, and lastly, the balance of £ 9¼ millions was added to the Government's Treasury balances, and is really potentially available for further strengthening of its currency reserves.

Government therefore made good use of the abnormally high amount of sterling which it was able during these fifteen months to purchase as a result of the gold exports.

In order to complete the picture, I may here add that a 5 per cent. sterling loan for £ 10 millions was floated during the same period, out of the proceeds of which £ 6 millions 6 per cent. bonds were repaid and the remaining £ 4 millions of which were used as a further addition to the Treasury balances.

Taking this last transaction into account, the combined result is that during the fifteen months, the Government has reduced its sterling debt by a net amount of £ 11 millions sterling, has increased its currency reserves by £ 11 millions and its treasury balances by £ 13¼ millions. The total of these amounts is £ 35¼ millions, so that out of our £ 69⅔rds millions sterling we used about £ 34 millions for meeting our current requirements and £35¼ millions sterling for strengthening our position. Incidentally, we may thus be said to have advanced by £ 35¼ millions towards the position required for setting up a sound Reserve Bank.

24. I must now turn to consider the sum of £ 25 $\frac{2}{3}$rds millions which, as I have explained, must be regarded as having been retained by private individuals out of the total proceeds of gold exports and the balance of trade in merchandise. What has happened to this money ? In the first place, as Honourable Members are well aware, a substantial proportion of the external currency derived from the sale of Indian exports abroad is always retained on private account. The amount required is influenced by two factors, first normal current requirements, and secondly, movements of capital. The normal current requirements are for such things as sea freights, interest and dividends on investments in India held abroad. family remittances, money spent abroad by travellers from India, etc., etc. The movements of capital may be either transfer of funds for permanent investment by private individuals, or the movement of funds by banks for temporary investment in treasury bills, etc. These movements of capital may of course take place either towards or away from India, and therefore either reduce or swell the amount required to meet current requirements. The annual reports of the Controller of the Currency always give clear figures and explanations on this point and I would refer Honourable Members to them. I cannot within the limits of this speech attempt any full examination of this matter, but from the investigations of the Controller of the Currency, it appears to be a fairly accurate estimate to say that in the 15 months, with which I am dealing, about Rs. 15 crores or £ 11$\frac{1}{4}$ millions was required for the repayment of money invested in Indian treasury bills by foreign banks, and that the balance of about £ 14 millions was required to meet normal current requirements. The repayment of the treasury bills of course represents a strengthening of the Indian position.

25. It is now possible to reconstruct the whole picture. For this purpose, I think it is fair to take the surplus balance of trade in merchandise of £ 15 millions as earmarked for meeting, in the first place, the normal private current requirements of £ 14 millions. Thus, in round figures, the position as regards the proceeds of the gold sales would be as follows. Out of £ 80 millions which represent the proceeds of the exports of gold, Government acquired £ 70 millions and £ 10 millions served to repay foreign funds temporarily invested in India. Government out of its £ 70 millions used £ 34½ millions to meet its own current requirements and £ 35½ millions to repay sterling loans and strengthen its reserves. Therefore, out of the total £ 80 millions of gold proceeds, only £ 34½ millions were used to meet current requirements, and the balance of £ 45½ millions went to reduce India's external obligations and strengthen her public reserves.

Looking at the matter from the side of the Indians who have sold the gold, they have acquired 107½ crores of rupees and of this, while a portion has been spent in meeting current requirements (*i.e.*, paying customs duty on imported goods and other taxes), a very substantial portion also, as is clear from the figures which I have given, must have been retained in currency or invested in Government securities.

Therefore, whether the position is viewed from the side of public finance or private investment, it is clear that, to a very large extent, the gold exported does not represent a drawing on reserves, but merely the conversion of one form of reserve into another. Apart from this, as there are some who, while not criticising what has happened so far, consider that the process of so-called drawing on reserves has now gone far enough, I wish to remind the House that even though the

amounts exported have been very large, the figures are still small in relation to India's resources. The fact that the published figures are given in values tends to give an exaggerated idea, because, of course, gold now stands at a premium of about 30 per cent. If we look at the statistics of the weight of imports and exports, the strength of India's position is extraordinarily striking. From September 1931 up to the end of December 1932, India had exported slightly over 14 million ounces of gold. As compared with this, the imports between April 1926 and September 1931 exceeded 15 million ounces; so that, in spite of the enormous amounts hitherto exported, we are not yet back to where we were in April 1926. If we go further back, the results are still more striking. The net imports from April 1922 to March 1926 exceeded 28 million ounces, and this means that India can go on exporting gold until the total quantities have risen to three times the amount of what has already been exported, and still have more gold in hand than she had eleven years ago.

So far, therefore, regarding the whole position of India as a single interest and considering the vast size of the accumulations of gold which exist, it cannot be said that there has as yet been any dangerous depletion.

26. I have been concerned in making this examination rather with presenting a picture of what has happened than of defending Government's policy, but it will help to complete my explanation, if I now deal with some of the criticisms which have been made. The general argument is that if Government had prohibited the export of gold and been ready to purchase on its own account against rupees, all the gold that has come forward for sale, then Government would have been able to reinforce its own currency reserves to that extent.

I have already shown that Government has actually acquired seven-eighths of the sterling proceeds of the gold exported up to December 31, 1932; but, as I wish to follow out the criticism, I will consider the simple question:—

"What would have happened if Government had prohibited the export of gold and thereby allowed to those who wanted to sell it, no other opportunity except to sell it for rupees?" In the first place, it is highly improbable that the same amount of gold would have been sold but I leave that out of account and will assume that Government would have bought it all. What then would have been Government's position? In the first place, it would have had to convert £ 45 millions of it into sterling to meet some of the purposes which I have already explained, namely, its current requirements and the net discharge of £ 11 millions sterling debt. As regards the £ 24¼ millions which it has, as I have explained, actually used for strengthening its currency reserves and Treasury balances, it might have kept this sum in the form of gold. But I do not think this would have been good policy, for we already have our proper proportion of gold in our currency reserves, and we should have been well advised to convert this amount also into interest-bearing sterling investments.

27. I am left to explain what would have happened to the balance of £ 25⅝ millions retained on private account, or rather the £ 10 millions out of this sum which represents the proceeds of gold exports; for it is this sum which our critics say we should have secured to ourselves if we had purchased the gold and which by our actual policy we have lost. But should we have been able to retain it? Certainly not. This balance was needed for the purposes which I have explained,

and if we had bought the gold for rupees, the private remitters would then have come to us, as the currency authority, and demanded that we, in accordance with our statutory obligation, should sell sterling to them. We could not, under the existing law, have refused to do so, and in that case we should have had to use the gold which we had acquired in order to buy sterling to meet our obligation, and thus would have found ourselves in precisely the same position as we are to-day. We could only have refused to sell the gold in two ways. Either, we should have had to get a law passed to relieve us of our statutory obligation, in which case who would venture to prophesy what would have happened to the sterling value of the rupee? Or, as an alternative, we should have had to pass a law putting a rigid restriction on all exchange transactions, which would have been a gross and unnecessary interference with the liberty of private individuals to deal with their own property, and would necessarily have led to a very serious restriction of imports.

Either of these alternatives would have been very serious steps, which might have had far-reaching and dangerous effects on our position. Those who criticise our policy as regards gold must first be very sure in their own minds whether they would have welcomed them.

28. I have explained the position as fully and fairly as I can, and I hope that I have done so clearly. I have done this not as an advocate anxious to defeat his opponents, but as one who earnestly desires to clear his own mind as to what is right and to put the real issues before the public. We do not claim for ourselves either perfect wisdom or any monopoly of such imperfect wisdom as is attainable in this world, but I think what we can claim is that our policy has guided India

through a period of quite unexampled difficulty without disaster, and that at the end of these two years, we find, ourselves with greatly improved public credit, with greatly strengthened resources, and with the freedom and security of private trade unimpaired. Nor can I believe that any single interest of the country has hitherto been sacrificed or damaged. The policy, therefore, has worked well so far, and more than this I do not claim. The times in which we live are so uncertain and abnormal that no one could venture to lay down that a particular policy must be for ever infallible. We must be guided by events. But till now and for the present, we do claim that our policy has worked well, and that while that continues, it would be unpardonable rashness to plunge into the unknown depths of wild experiments.

29. I am afraid that my argument as to Government's policy as regards gold exports has led me into something of a digression from the review of India's economic position which was my main purpose at this stage.

I may now sum up my own conclusions on that review. For my own part, the main impression gained by a study of what has been happening during these last two years of terribly difficult times is one of admiration and wonder at the way in which India and her people have adjusted themselves to the emergency. The more highly organised Western nations may well take lessons from her in this respect. While I have commented on the enormous decline in the demand for India's export products, it is a remarkable fact that this has not yet led here, as in other countries, to the piling up of unmanageable stocks which form both a source of weakness to the country that holds them and a menace to the rest of the world. The diversity of cropping in most

parts of India has led to a comparatively quiet adjustment to changed conditions without elaborate schemes for restriction of production, or dangerous experiments for using public funds to finance surplus stocks. The striking restriction which was effected after the 1930-31 season in the jute area of Bengal is well known, but in the case of cotton also an adjustment has taken place aided partly by short crops and partly, though only to a regrettably small extent, by increased consumption by Indian mills of Indian cotton. To some extent, in certain cases such as sugar, Government policy has helped the agriculturalists to find profitable alternatives in money crops. Linseed is another important alternative crop for which possibilities of an increased outlet have been opened up by the Ottawa Agreement. In this case, a fairly substantial increase in the area sown had been undertaken before the Ottawa Agreement was implemented, and the preference now secured in the British market may justify a further increase. Groundnuts, again, have provided another alternative outlet, and this crop has become in Madras, a money-crop of first rate importance, and is becoming an alternative crop to cotton of growing importance in Bombay and Berar. Where export facilities have been lacking for a particular crop and alternative export crops have not been possible, there has been a spreading over into miscellaneous crops for local consumption. In the case of Bengal, where the main reduction in the jute area occurred before last year, it has been possible to examine conditions fairly closely, and there, the alternative crops were mainly rice, maize, millets, smaller pulses, and to some extent sugarcane. It is difficult to trace exactly the complete economic effects of these adjustments, but one conclusion is probably justified, and that is that the poorer classes and particularly the

wage-earning classes whose wages have not been reduced proportionately to the fall in values of local food produce, are at present being better fed than ever before. Thus some advantage at least is gained.

If one turns to the other side—the side of consumption—one gets the same impression of comparative stability, for here the power to draw on reserves has, as I have explained, resulted in a remarkably steady maintenance of consumption, in spite of increased duties, of the main necessities of the masses.

Simultaneously with all this the figures show a striking increase in investment by the poorer classes.

30. The result of this survey has seemed to us to justify the assumption for the purposes of our estimates that general conditions as regards consumption of dutiable articles may be expected, even without a striking world recovery, to remain fairly constant next year. But having stated this assumption, it is necessary to add a note of warning. Neither the process of drawing on reserves, nor that of agricultural adjustments, can be continued indefinitely. As to the latter point, seeing that the contraction in export demand applies to practically all our export crops, the range of adjustment is comparatively narrow, and, if a further fall in purchasing power is to be avoided or minimised, determined efforts are necessary both to make the most of every possible export outlet for our produce, and to supplant, by local production, imports of such articles as long staple cotton.

Further, in regard to both points, India remains as deeply interested as any other country in efforts to promote international co-operation and the recovery of world trade. If the present low levels, as regards both prices and world

demand for agricultural products were to become stabilised, very serious problems would have to be faced and it would be necessary for those responsible for governing India to take stock again of the whole position.

Effects of the general economic position on tax revenue.

31. I want now to show, as briefly as possible, how some of the broad phenomena which I have been describing appear when translated into revenue results.

32. As might have been expected from what I have said, revenue from salt, kerosine and cotton piece-goods has been very satisfactory for the current year.

We estimate salt revenue at 10·38 crores as compared with a budget estimate of 9·43 crores.

Kerosine import and excise duties are expected to produce 4·25 crores as compared with a budget estimate of 4·42 crores.

Cotton piece-goods import duties are put at 6·40 crores as compared with a budget estimate of 3·79 crores.

33. In the case of cotton piece-goods, however, we think it necessary to treat the imports for the current year as to some extent abnormal.

Quantities imported have shown a great advance, the yardage in the 9 months, April to December, 1932, being about 30 per cent. up, on the same months in 1930 and about 70 per cent. up on 1931. That this is partly due to other reasons than the price factor, is shown by the fact that the recovery has been shared by British goods, the average price of which has not fallen appreciably. To this extent, general causes—notably the waning of the boycott movement—must have operated; but it remains true that so far as Japanese goods are concerned, the very heavy fall in prices which

followed on the depreciation of the yen has been the most important stimulus to the import trade. The result was a strong demand from the Indian mill industry for the exercise by Government of their powers of increasing the protective duty; and on August 30th, 1932 this was done, the duty on non-British goods being raised from 31¼ per cent. to 50 per cent. *ad valorem*, with the minimum for plain grey goods raised from 4⅜ annas to 5¼ annas a pound. By this time, the imports from Japan had been 257 million yards against 135 million in April to August 1931, with an average value of 2·3 annas a yard against 2·6 annas in 1931. But in this trade it is prospects and forward business that are most important; and that the action taken in August was timely, is shown by the fact that the considerable imports which came forward in the following four months, had an average value as low as 2·03 annas a yard or 78 per cent. of the 1931 average. The effect of the increase of duty, coupled with the fact that imports made or contracted for before it had been made must have left fairly large stocks in hand, has been a steady decrease in imports, so that in January the duty taken on non-British piece-goods was only seven-tenths of that taken, at the same enhanced rates, in September.

34. In close connection with cotton piece-goods, I must mention artificial silk goods and mixtures. In spite of the great enhancement of the duty (from 20 per cent. to 50 per cent. and 34⅜ths per cent. respectively) and in spite of a striking reduction in the value of Japanese goods, the total values of imports have increased.

We now estimate receipts from artificial silk goods at 130 lakhs for the whole year and mixtures at about 20 lakhs, as compared with earlier estimates of about Rs. 70 lakhs and Rs. 13 lakhs respectively.

35. Other special heads under which revenue receipts have been most satisfactory are the new duties on raw cotton and machinery. Our estimate of revenue from the duty on raw cotton is now 62 lakhs against our original budget estimate of 32 lakhs. Similarly, in regard to duties on machinery, we now anticipate a revenue of 115 lakhs against our budget estimate of one crore.

36. As against these satisfactory results, I must comment on the main heads where we have fallen far short of our estimates. Sugar is the most important item. In this case we now only expect an import of about 435,000 tons producing duties, including land customs receipts, of Rs. 7.80 crores against the budget estimate of 550,000 tons and about 10 crores respectively. The development of sugar manufacture in India, though satisfactory in itself, is, as I have already noted, making a very serious hole in our revenue. The duty at present works out at something like 166 per cent. *ad valorem*, and it is therefore obvious that if purchasing power which was once put into sugar is diverted to some other commodity paying lower rates of duty, the revenue must be a heavy loser. If, for example, 1½ crores are spent on sugar machinery including the 10 per cent. duty, the revenue gets about 13½ lakhs. On the other hand, if 1½ crores are spent on sugar including duty, the share of the revenue in the total purchase price is about 93 lakhs.

37. Silver, again, has failed to come up to our expectations and it is clear now that we cannot rely on any appreciable imports of any precious metals as long as the present depression continues.

38. Motor cars and cycles have shown heavily reduced figures, and we now estimate receipts at 60 lakhs only against

80·63 lakhs budgetted and actuals of 95·01, 72·31 and 63·20 lakhs in three previous years,—despite the increases of the rate from 20 per cent. in 1929-30, when the duty was 95 lakhs to 37½ per cent. in the current year. We have carefully considered representations that this is due to the operation of the so called law of diminisning returns, but have not been able to satisfy ourselves that this is the case. The use of motor vehicles has not diminished in anything like the same ratio : our estimate for this year for the motor spirit duty (customs and excise) is 4,30 lakhs, equivalent to 253 lakhs at 6 annas a gallon which was the rate in force in 1929-30, when these duties, yielded 298 lakhs. It is very obvious, that apart entirely from any enhancement of duties, a period of acute depression will affect what I may call capital expenditure more than recurring expenditure, and this factor must be particularly noticeable with motor vehicles, the number of which on the road was probably excessive before the depression came.

39. Of the taxes on luxuries, the most important (apart from silk and artificial silk piece-goods) fall on articles which are such as I have just described as representing recurring expenditure,—that is to say, goods that are consumed on being taken into use. The principal such items are liquors, tobacco and spices and betelnuts. The yield of the tobacco duties which we now estimate at 125 lakhs, has been greatly reduced as a result, not of decreased consumption, but of the transfer to India of the manufacture of many brands of cigarettes that used to be imported : we still get the duty on such imported leaf as is used in making these brands, but that duty is much lower than the corresponding duty on cigarettes. Liquors are standing up pretty well : the heavy increases of duty and the general depression have reduced consumption

heavily, but those very increases serve to bring up the estimated yield for the year to a figure not far short of the actuals in 1929-30 and 1930-31. Betelnuts and spices, which have a duty less severe in its *ad valorem* incidence, have been very successful items; any decline in imports has been much more than set off by the increase in duty rates and our revised estimate for these two heads is 76 lakhs against actuals of 46 and 37 lakhs in 1929-30 and 1930-31.

Analysis of Revenue and Expenditure estimates—1932-33 *and* 1933-34.

40. I have dealt at some length with certain important factors which have played a part in the current year's results, because I wanted to make clear what sort of considerations we had in mind in framing our estimates and in deciding what proposals to put forward.

It must be clear from what I have said, that to estimate revenue for next year—particularly customs revenue—is, in view of the completely uncertain and abnormal conditions, a task of quite unprecedented difficulty. Indeed I may say that accurate estimation is impossible. In these circumstances and for the reasons which I have explained, we have thought that the most reasonable course is to assume that the general position next year will be the same as for the current year, neither better nor worse, and in particular that India will be able to maintain the same purchasing power for commodities imported from abroad.

41. *Customs.*—The assumption, however, that the value of imports will be maintained does not necessarily imply that the value of the import duties will also remain the same.

I have already explained the special position as regards sugar, showing how the present development of the Indian

industry is affecting our revenue. On these considerations, we think it necessary to allow for a drop of one crore in receipts from the sugar import duties which will not be offset by any increase under other heads.

In regard to cotton piece-goods also, for reasons which I have explained, we think it necessary to regard the revenue from import duties—at least on Japanese goods—as to some extent abnormal and not likely to be repeated. Here therefore we have allowed for a drop of 30 lakhs.

As against these reductions, we have thought it safe to count on a small revenue (25 lakhs) from silver imports—because having closed the gap in our land customs line on the Burmese frontier, through which a large trade in silver from China was suddenly developing in the course of the last year, we think it reasonable to expect a moderate resumption of dutiable imports.

Making allowance for these and other minor variations our customs revenue estimates for next year are put at 51,25 lakhs showing a reduction of 104 lakhs from the revised estimates of the current year.

The position as regards net receipts may be summarised as follows :—

	Revenue (Lakhs).
Budget Estimate, 1932-33 ..	52,31·27
Revised Estimate, 1932-33 ..	52,28·55
Budget Estimate, 1933-34 ..	51,24·60

42. *Income Tax.*—In our estimates for income-tax, we are, as in the case of customs, making the assumption of a repetition of the current year's results. On this basis we should have receipts of 17,70 lakhs next year to which must be

added 53 lakhs, representing the tax on official salaries in regard to which the exemption hitherto enjoyed is, according to our proposals, to be removed concurrently with the reduction in the cut in pay which we proposed. The total estimate is thus 18,23 lakhs out of which it is reckoned that the 25 per cent. surcharge will account for 3,50 lakhs, and the tax on incomes below Rs. 2,000 for 70 lakhs.

The position may be summarised as follows :—

Taxes on Income.

	Revenue (Lakhs).
Budget Estimate, 1932-33 ..	18,73·38
Revised Estimate, 1932-33 ..	17,70·00
Budget Estimate, 1933-34 ..	18,23·00

43. *Salt.*—The results for the current year justify us in anticipating the continuance of consumption at the present level. We have, however, now exhausted the special temporary acceleration of receipts, resulting from the extinction of the salt credit system which was one of the features of our emergency financial plan of September 1931. This produced a special addition to our receipts during the current year of as much as 150 lakhs. Allowing for the disappearance of these exceptional receipts, the net revenue from salt will be 7,58 lakhs.

The position as regards net receipts may be summarised as follows :—

	Lakhs.		
	Revenue.	Expenditure.	Net.
Budget Estimate, 1932-33 ..	9,43·40	1,15·69	8,27·71
Revised Estimate, 1932-33 ..	10,38·00	1,14·77	9,23·23
Budget Estimate, 1933-34 ..	8,75·00	1,16·96	7,58·04

44. *Opium.*—The revenue under this head is being gradually reduced owing to our declared policy of reducing exports. It is also subject to unexpected variations from year to year due to changes in the actual requirements of Foreign and Colonial Governments within their allotted quota. This latter factor accounts for 34 lakhs out of the drop of 38 lakhs in the revised estimate.

The position as regards net receipts may be summarised as follows :—

	Lakhs.		
	Revenue.	Expenditure.	Net.
Budget Estimate, 1932-33 ..	1,32·63	71·62	61·01
Revised Estimate, 1932-33 ..	94·92	86·36	8·56
Budget Estimate, 1933-34 ..	1,20·05	57·36	62·69

45. *Service of Debt and Finance heads.*—It will be convenient if I deal with the service of Debt and the other Finance heads together.

In the first place, as regards interest payments, the reductions shown are satisfactory, namely, 204 lakhs as compared with 1931-32 and 51 lakhs as compared with the revised estimate for 1932-33. I must however explain that the full result of the conversion operations recently undertaken is not yet revealed. The results indeed of the latest operation were not known at the time our estimates had to be compiled ; but apart from this, there are other special reasons. Although our main conversion scheme has been directed to substituting one form of permanent debt for another, the process has been a continuous one which is not yet completed, and the first actual result in the current year has been to reduce treasury bills held by the public and the Paper Currency Reserve

by approximately Rs. 34 crores. Current rates for treasury bills had fallen so low that this aspect of the conversion actually represents, initially at least, an increase in the interest charges. It must be remembered, however, that this large reduction in our treasury bill outstandings, is not only a sound operation in itself, but by strengthening the Government position enables it to reduce interest rates both for the remaining volume of treasury bills and for its permanent debt.

A second point which I have to make in explaining the effect of the conversion operations is that the Government of India is not mainly a borrow on its own account. The great bulk of the borrowings is undertaken for the Railways and through the Provincial Loans Fund for the Provincial Governments.

In the case of the Railways in respect of the whole of their capital outlay, met otherwise than from specific railway loans, we charge them the average rate of interest which we ourselves pay. The total amount of non-specific debt which enters into our calculations for working out the average rate of interest is, in round figures, 450 crores, and the total Railway capital outlay on which interest at the non-specific debt rate is charged is, in round figures, 300 crores. Any savings from conversion operations will therefore be passed on to the Railways to the extent roughly of two-thirds. Bearing these two considerations in mind, as the sterling loan and the four rupee loans floated during the current year almost exactly cover out total liabilities in respect of loans maturing, in the case of sterling in 1932-33, and in the case of rupees in 1932-33 and 1933-34, we can reckon that these maturities have been converted at an annual saving in interest of approximately 70 lakhs for the rupee loans and 9 lakhs for the sterling loan,

that is to say, that when the temporary effect of the loss due to the reduction of treasury bills has passed away, the permanent saving to the railways will be in the neighbourhood of 53 lakhs, and to general revenues of 26 lakhs.

46. Apart from this, it must be noted that the conversion operations only affect what we call our Ordinary Debt. As regards our so-called 'Other Obligations', although we have reduced the rate of interest on Post Office Cash Certificates from about 6 per cent. to 4½ per cent., the results of this will only very gradually be felt, while in regard to the other heads, Post Office Savings Bank Deposits and Provident Funds, the interest rates which we allow are calculated on methods which will not show any immediate reduction. In fact, as regards the important head of Provident Fund balances, on which we are paying interest at over 3½ crores annually, the rates which we allow will actually show a slight increase next year, because we work on the basis of the average rate of the preceding five years, and we are therefore just now dropping out years when the interest was lower than it was last year.

47. There is further another special head under which an increase has had to be provided, which offsets some of our other savings under interest payments, namely, interest on War Debt. The House will recollect that the so-called Hoover mortorium originally extended to the first of the two payments due for 1932-33, and that His Majesty's Government agreed, when the moratorium was first introduced, that as they were not making payments on the debt due from them to America, they would not themselves demand interest on the debt owing from India and the Dominions to them. The House also knows that the moratorium was not extended, and that His Majesty's Government met the full payment on

the second instalment due in December last. His Majesty's Government have, however, agreed not to demand any payment due at the present time from their own debtors—India and the Dominions—pending a final settlement of the War Debt question. How that will be settled no one knows, but I hope that it will be in a manner which will bring relief to the debtor nations, for I believe that the world's trade cannot flow in its normal course, nor can any country settle down to normal economic life, so long as these huge international obligations continue as disturbing factors. For the present, however, we have to take account of the fact that the debts exist, and we have made provision in the current year for the second instalment of interest due in December, and for next year on the basis of a full year's payment. For the current year the instalment due, but not demanded, has been debited under the interest head and credited to a suspense account. The amount, however, for which we are making provision next year, has been reduced, because we have thought it reasonable to assume that, pending a comprehensive settlement of the question of War obligations in which India's War Loan liability will possibly be included, His Majesty's Government will at least give us the benefit of a reduction in interest rates corresponding to the reduction which they have achieved by converting the British 5 per cent. War Loan. At the same time, we have made provision for repaying by equated annual instalments, over a period of 20 years, our War Loan liability outstanding at the end of the current year including the arrear interest for a year suspended under the Hoover moratorium. The combined effect of this last-mentioned provision and of the reduction of interest rates is that the full provision for next year is £658,800 against a liability of £ 836,000 under the original arrangement. I must point out,

however, that for 1932-33, we have only had to provide for half a year's interest at the higher rate, namely, £418,000 ; so that under the new proposal, interest charges are increased by £240,000 or Rs. 32 lakhs.

While we are making provision for this amount, it must be noted that we are not allowing for any receipts under the head of reparations, for these remain suspended under the Lausanne agreement.

We can only hope that these matters will be settled in a fair manner during next year and that possibly the settlement may leave us in possession of a margin. This is one of the favourable possibilities for the future.

The net result of the factors affecting Interest payments, some of which I have just explained, is that interest charges show a net reduction of 2,04 lakhs as compared with the actuals for 1931-32 and 51 lakhs as compared with the revised estimates for 1932-33.

48. The other items which may be classified as ' Finance heads ' are the provision for Reduction and Avoidance of Debt and the net revenue from Currency and Mint. Under these heads, there is no striking change as compared with the revised estimates. The provision for Reduction and Avoidance of Debt is put at 688 lakhs for next year as compared with 684 for the current year. The amount is arrived at automatically according to the present convention which is well known to the House. An important point to note is that it is a substantially heavier burden now than it was in the period of prosperity from 1923 to 1928—in fact, it is 2¼ crores more than the annual average for that period.

49. As to Currency and Mint, the receipts under this head automatically go down when the rate on treasury bills

falls. We are allowing for a net reduction of 61 lakhs as compared with the revised estimate for the current year.

50. It will be seen from what I have said that as regards Finance heads, there is no great change compared with the revised estimates for the current year. Net interest charges are down by 51 lakhs, Reduction and Avoidance of Debt is up by 4 lakhs, and the net revenue from Currency and Mint is down by 61 lakhs. Interest receipts show a small decrease of 1 lakh. There is therefore a net deterioration of 15 lakhs.

51. *Commercial Departments.*—I now turn to the remaining important factor—receipts from Commercial Departments. So far as the Railways are concerned I need say little. We take credit in our budget for full interest payments, although, as the Honourable Member for Railways has explained, these can only be met by trenching on the unspent balance of the allocation for depreciation.

As to the Posts and Telegraphs, the position remains, I fear, unsatisfactory. The net loss on working account, which has to be carried in our budget for next year, is put at 57 lakhs as compared with about 48 lakhs in the revised estimate for the current year. This increase of 9 lakhs in the loss allows for an extra charge of 27½ lakhs on account of pay, due to the proposed reduction in the cut and 15 lakhs on account of increments. As a small increase of 8 lakhs in revenue has also been assumed, net economies of 25 lakhs have accordingly been achieved in other directions.

52. *Expenditure position.*—Having thus dealt with the position as regards Tax revenue, Finance heads and Commercial departments, I must now turn to consider the main

heads of expnditure, Civil and Military. It is this expenditure, which above all, needs careful watching, and I have no doubt that, now that our main retrenchment campaign is concluded, Honourable Members of the Legislature will feel it to be especially their function to satisfy themselves not only that we have carried out our promises, but also that we are not relaxing our efforts to achieve economy. With that I entirely agree, for I have always taken the view that the pressure for economy must be continuously applied and should not be allowed to become a process of violent energy at one moment, to be followed by a period of lassitude and relaxation continuing until a new emergency arises. If, in giving an account of the present position, I am led into very small details, that is a reminder of the fact that it is only by painstaking attention to every detail that expenditure can be controlled.

53. *Civil Expenditure, 1932-33.*—The budget estimate of Civil expenditure for the current year (1932-33), *i.e.*, excluding military expenditure, expenditure on Commercial departments and Debt services, was 20,65 lakhs. Our revised estimate now gives the figure as 20,89 lakhs. There is thus an apparent increase of 24 lakhs. But a closer examination shows that this increase does not denote any increase in real expenditure and, indeed, that the economy in recurrent expenditure has been greater than that which we promised. The figure of expenditure, as shown in our accounts, has had to be increased because special items amounting in all to 68½ lakhs, but the great bulk of which do not denote real expenditure, have had to be included.

54. I can classify these items as follows :—

(*a*) Items which merely appear under expenditure heads in the accounts, but are not expenditure in the

ordinary sense. These come to a total of 40½ lakhs. The details are as follows:—

(1) Increase in the share of Customs revenue payable to the Travancore and Cochin Darbars. This is unavoidable under the terms of the agreement. It is not really expenditure, but rather a deduction from revenue 2

(2) Extra payments under Opium. This is necessitated by the fact that the yield of the crop was unexpectedly high. The opium has to be purchased from the cultivators, but of course the cost will all be subsequently recovered .. 15¾

(3) Increased expenditure on fumigation of imports of American cotton. The whole of this cost is recovered 3¾

(4) Carry-forward of certain expenditure from 1931-32 to 1932-33 (Aerodrome works at Juhu and cost of currency note forms).. 3½

(5) Increase in the *net* expenditure under Survey of India and the Indian Stores Department owing to short recoveries due to financial stringency and general trade depression. This item does not represent increased expenditure, but as the amount of this grant in the budget is the *net* amount after deducting recoveries, this net amount is increased if the recoveries are reduced 4½

(6) Payments to local Governments on account of re-allocation of leave and pensionary charges of officers lent by them to the Government of India and re-classification of certain other charges (port quarantine charges, etc.) as central 11

Most of this merely represents the discharge of a liability already accepted. The potential liabilities under this head are now practically exhausted.

(*b*) Special non-recurring items. These account for a total of 17 lakhs and are made up as follows :—

(1) Provision for the annual Research Grant to the Imperial Council of Agricultural Research not included in the original budget. This grant was suspended as part of the economy measures. As, however, a surplus is available on the 1932-33 budget, it was decided to recommend a special grant out of this surplus to the Imperial Council of Agricultural Research, which will increase their balance to a sum sufficient to provide for the completion of all the projects which they actually have in hand. A motion for a supplementary grant to cover this item will be moved in due course. The regular annual provision of this 5 lakhs still remains suspended 5

(2) Increased terminal charges on pensions, including commutation payments. These charges in excess of our original estimates had, of course, to be met. 12

(c) Items of special unforeseen expenditure. These amount only to the small sum of 11 lakhs. The following are the details :—

(1)	Expenditure on staff and roads in connection with the Khirtar Canal colonisation scheme	½
(2)	Expenditure on account of the special session of the Legislature in November	1¾
(3)	Expenditure on account of the third Round Table Conference, the Ottawa Conference and the Capitation Tribunal	4½
(4)	Expenditure on repairs necessitated by flood damages	3½
(5)	Other minor items	¾

55. As the special items to which I have just referred amount to 68½ lakhs, and as the total accounts expenditure for 1932-33 shows, as I have explained, an increase of only 24 lakhs, it follows that under the other heads of real expenditure we shall have achieved during this year economies of 45 lakhs more than we promised. It may be remembered that in my budget speech in March last (paragraph 34) I stated that, broadly speaking, against a total retrenchment in expenditure of 499 lakhs recommended by the four civil sub-committees, Government had achieved economies of 433 lakhs, or nearly 87 per cent., before allowing for terminal charges which the committees did not take into account. The results, according to the revised estimate of the current year which I have just given, show that the actual economies achieved in normal expenditure amount to 45 lakhs more than this, that is to say, to a total of 478 lakhs, or nearly 96 per cent. of the amount recommended by the retrenchment committees.

56. *Civil Expenditure*, 1933-34.—Turning to the estimates of expenditure under these civil heads for next year, I am glad to be able to report a still further improvement. As compared with the current year with its budget estimate of 20,65 lakhs and the revised estimate of 20,89 lakhs, the estimates for 1933-34 are 20,53 lakhs, that is to say, a reduction of 36 lakhs on the current year in spite of the following facts; first, that we have allowed for reducing the cut in pay to 5 per cent. thereby incurring extra charges of 28 lakhs on these particular civil heads, secondly, that we have to meet the normal increments in time scale pay which still involve an annual addition of something like 15 lakhs, and thirdly, that we have to meet new obligatory expenditure amounting to about 17 lakhs, the nature of which I shall shortly explain. If all these items are taken into account, it will be seen that the total of the net reductions otherwise effected under the normal heads of expenditure amount to no less than 96 lakhs. Honourable Members may say that they are not concerned with this figure, but only with the saving of 36 lakhs actually effected, but I have given these explanations in order to show how we are continuing the retrenchment effort and what a constant effort is required *merely to prevent expenditure from growing.*

57. I must now explain the nature of the items which go to make up the 16¾ lakhs of new unavoidable expenditure as shown in the accounts to which I have referred.

(1) Further increase in the share of Customs revenue payable to the Travancore and Cochin Darbars.

This, as already explained, is not really expenditure but a transfer of revenue under the existing agreement 1

(2) Additional expenditure on income tax staff in Bombay necessary in the interests of revenue .. .. ¾

(3) Further expenditure on staff and roads in connection with the Khirtar Canal colonisation scheme 1

(4) Expenditure under Police on construction of police quarters and rearmament of police 1

(5) Increased charges under Political on account of re-equipment of police, maintenance charges of buildings, replacement of a motor-car, additional establishment for Gyantse Trade Agency and land compensation charges 1

(6) Grant for Sugar Research 1½

(7) Additional expenditure under Aviation for works and staff 1

(8) Cost of compilation of inter-provincial trade statistics 2

(9) Cost of new civil works, *viz.*, improving the roadway on the Jumna bridge and Sibi water supply scheme 4½

(10) Lump provision for the Joint Select Committee 1½

(11) Other petty items (including about ½ for meteorological facilities for Karachi-Madras air route) 1½

It will be seen from this list that most of these items are beneficial expenditure. The largest of them—which I specially wish to mention—is a provision of 2 lakhs for

improvement in our statistical records. This represents one step in a general plan for improving our economic intelligence organisation which we are now preparing.

58. *Military Expenditure.*—When I turn to the provision for the Military or Defence Budget, the results are equally, or even more, satisfactory. For the current year (1932-33) allowing for the full effects of the 10 per cent. cut in pay, the net budgetary allotment was 46·74 crores. For next year, the net expenditure provided for in the estimates, after allowing for an extra charge of 52½ lakhs due to the reduction in the cut in pay to 5 per cent. is 46·20 crores. That is to say although the pay bill is increased by 52½ lakhs the net expenditure is to be reduced by 54 lakhs. The further economies made therefore in other directions amount to 106½ lakhs.

59. It is necessary of course to point out that the provision now made is cut very fine, and that to some extent the reduction in expenditure progressively effected over the last five years is due to the fall in prices of commodities which the Army has to buy. The difference between commodity prices, as taken for the present estimates, and those prevailing in 1928-29, represent a saving on the whole budget of about 1 crore. If prices were to rise again, as in the general interest of the country one must hope they will, obviously under this head, charges would increase.

I must also point out that this budgetary provision includes no margin for unforeseen expenditure, or for the continuance of the re-equipment programme which was laid down in 1928 and which is still being financed (to the limited extent which is possible) from reserves accumulated under the stabilised military budget system which was then inaugurated.

60. Nevertheless, while these facts must be borne in mind, I cannot but feel that the reduction in the net military budget from 55·10 crores (including the Territorial Force grant) in 1929-30 to 46·20 crores in 1933-34 is a very satisfactory achievement. There are some ungenerous critics who, when they see large savings effected in public expenditure, are inclined to say that that only indicates how extravagant was the original provision. I must indeed confess that I make it my business, as Finance Member, to be perpetually telling the spending departments something very much on these lines. But, in the case of the economies effected in the last two years by the officers of the Army from the highest downwards, I know that a great part of their work has been, not the elimination of unnecessary or wasteful expenditure, but the giving up of cherished schemes destined to increase the efficiency of the Army or the amenities for the troops. They have given them up without rancour because they recognised the greater urgency in the public interest of preserving financial equilibrium during these critical times, and they have for this reason been wholehearted co-operators with the Finance Department in a task which I know has been most distasteful to them. The public interest can never properly be served without such co-operation. What I say of the Army is equally true of the other departments, and I hope that this Assembly will not deem it unfitting that I should take this occasion of expressing my gratitude to them for the part which they have played in our common effort to restrict public expenditure.

61. *Expenditure Position. Summary.*—The net result is that as regards the two main fields of administrative expenditure—the Civil heads, excluding expenditure on Commercial departments and Debt services, and the Defence budget—the

budgetary provision for next year comes to a total of 66·73 crores as compared with a total of 67·63 crores for the current year. The total provision has thus decreased by 90 lakhs in spite of allowing for extra expenditure of about £0½ lakhs under both heads due to the reduction of the cut in pay to 5 per cent., and in spite of the normal and unavoidable growth of expenditure due to increases in the pension bill and to the increments accruing under the time-scale system on salaries, which involves an increased provision next year of about 20 lakhs.

I would, before leaving this subject, like to remind the House that the expenditure in these two fields which stands for 1933-34 at 66·73 crores amounted in 1929-30 to no less than 78·82 crores.

62. The explanations which I have now given show in what respects our estimates for next year must differ from the revised estimates for the current year, although as I have explained, we have adopted, as a foundation for next year's estimates, the assumption that the general conditions of the current year will be repeated.

63. I may summarise the position as follows :—

	Rs. lakhs.	
REVENUE—	Better.	Worse.
Customs.—(Reduction due to fall allowed for in imports of sugar and cotton piece-goods)		1,04
Income-tax.—(Increase due to removal of exemption from surcharge on Government servants)	53	..
Press fill in total	53	1,04

	Rs. lakhs. Better	Worse.
Press bring forward total	53	1,04
Salt.—(Reduction mainly due to termination of temporary increase in receipts on termination of credit system)	...	1,63
Opium	25	..
Finance heads.—Net changes including additional expenditure of 1 on account of part restoration of cut in pay	..	15
Commercial departments.—Net revenue	..	11
Miscellaneous.—(Reduction of 30 due to no provision being included in next year's estimates for Gain by Exchange)	..	45
EXPENDITURE—		
Military.— *Civil heads.*— Net reduction effected in spite of part restoration of pay cut costing 79½ lakhs under these heads as compared with the revised estimates. This net reduction, together with the reduction of 5 under Irrigation and Currency and Mint, taken on the revenue side gives a total reduction of 90 as mentioned in para 61) ..	85	..
Total ..	163	338

64. As a result of the changes thus summarised, the net deterioration for next year is estimated at 175 lakhs, and thus the surplus of 217 lakhs shown in the revised estimate for the current year will be reduced to a surplus of 42 lakhs.

The comparison between the two years may be thus summarised.

	Rs. crores.		
	1933-34.	1932-33.	
	Budget.	Budget.	Revised.
Revenue	124·52	129·96	127·13
Expenditure	124·10	127·81	124·96
Balance ..	·42	2·15	2·17

BUDGETARY PROPOSALS, 1933-34.

65. These figures are arrived at after allowing for the proposals as regards pay which were announced in the communique of February 3rd and without them, we should, on the basis of the retention of all existing taxes, have shown an estimated surplus of 97 lakhs. That then is the position which I have to put before the House, and I must now explain what we consider to be the right policy in this position.

The cut in pay.

66. In the first place, I must say something about the proposal as regards pay which as I have just explained has been allowed for in our estimates.

Before explaining the details as regards its financial effects, I want to clear up one point about our procedure. We regard this proposal as being an essential part of the budgetary plan. Its justification must depend on the budgetary position and cannot be discussed without full knowledge of that. In these circumstances, the normal course, and the course which

we should have thought right, would have been to make the announcement as part of the budget speech, so that Honourable Members might simultaneously know the whole position and the whole plan for which Government sought their approval.

Unfortunately that course was not practically possible, because on February 3rd, the budgetary proposals for the Railways had to be put before the Standing Finance Committee for Railways, and it was impossible to do this without revealing proposals about the pay cut for Railway officials. We could not put forward the Railway Budget on a hypothetical basis, nor could we feel it right in the special circumstances of the present case to treat the Railway staff on a basis different to other Government servants. For this reason, we were forced to announce the whole plan which we proposed four weeks in advance of the budget speech.

67. The precise financial effect of the present proposals has already been indicated as regards particular departments in my earlier remarks, but I think it well to summarise the position.

For the Central Government civil services, including the Posts and Telegraphs Department, but excluding the Railways, a restoration of the full cut in pay for twelve months would cost about 1,22 lakhs.

For the Army, taking the officers affected by our cut, it would cost 1,14 lakhs.

As under the original plan, the 10 per cent. cut was to apply to all pay earned up to March 31st, 1933, and as salaries are always paid on the first day of the month following that in which they are earned, so that March pay is debited to the accounts only on April 1st there will in any case be one month

of the full cut included in the budgetary expenditure of the financial year 1933-34. Therefore, any reduction in the cut for next year only affects eleven months' pay borne on the 1933-34 budget.

To reduce the cut in pay to one-half for eleven months means on the Civil side ..	55½ lakhs.
and on the Army side	52½ lakhs.
The total cost therefore is	108 lakhs.
As against this, the Central budget will recover as a result of the withdrawal of the exemption of income-tax surcharges and the tax on incomes below Rs. 2,000 from Government officials—not only officials paid against the Central budget, but officials of the Railways and officials serving under the Provincial Governments—a net increase in income-tax receipts of	53 lakhs.*
The net cost of the proposal to the Central Government is thus	55 lakhs.

68. The considerations on which this proposal has been put forward by the Government of India are first, that it represents the maximum concession which the financial situation justifies, and secondly, that there are very strong reasons for going as far as the maximum which is justifiable.

* *Note.*—The actual increase in income tax paid directly by officials is 67 lakhs, but the net gain is only 53 lakhs. The explanation of this is that, for special reasons, the value of the exemption in the case of Railway officials was previously being paid to Government by the Railway administration. This amounts to 14 lakhs, and of course when the Railway officials themselves pay the tax, the Railway administration will cease to make this payment.

I do not propose now to go into all the arguments or to anticipate what may have to be said hereafter in the course of debate. I can explain Government's position in this matter very simply as follows.

69. In the first place, I must recall what I said when introducing the original proposals in September 1931. We hoped then that the emergency with which we were called upon to deal was a temporary one, or at least that the degree of intensity which made the imposition of these extreme measures necessary would have passed by March 31st, 1933. The cut in pay was thus definitely intended to be merely a temporary measure justified only by an extreme and, as we hoped, temporary emergency. It was essential to make this purpose clear, and I therefore stated as one of the main conditions that the cut

> " Should be of a temporary nature not extended beyond the need of the present exceptional emergency. Its justification is in the need for a common sacrifice in a national emergency."

Further, in summing up the position, I again said :—

> " It must be clearly explained that there is no intention that they should remain operative beyond March 31st, 1933. They will not be continued beyond that date without further examination of economic conditions....."

We have acted exactly in accordance with the intention thus indicated. We have very carefully reviewed the economic conditions, and we have arrived at the definite conclusion that while we can take the risk of making some reduction, nevertheless an emergency continues sufficient to make it impossible to restore the whole of the cut.

That, then, is the first point which I must make, namely, that we regarded, and still regard, the cut as a temporary measure.

The second point is this, that we regarded a cut in the fixed pay of Government officers as an extreme measure only to be taken in the very last resort after the efforts of all other feasible measures for dealing with the situation had been exhausted. Obviously a measure which is thus only justified in the last resort ought to be the first to go when any relaxation is possible. On this point also, I made our purpose perfectly clear in September 1931. I said, after expressing the hope that it would be possible in 1933 to relax the emergency measures,

> "It is perhaps forecasting events, too much to say in what order these reductions should be made. But there are certain principles which we consider must be observed. Relief must come first in restoring the emergency cuts in pay and secondly in taking off the surcharge on the income-tax now to be imposed."

Therefore on this point also, we are acting in accordance with our declared purpose.

70. Now, in dealing with this matter, I have to make our position clear both to those who may think we have gone too far in the present proposal, and also to those who may think we have not gone far enough.

I will deal with the latter first. To them, I would say that we have acted exactly in accordance with our declared purpose and that we have gone to the maximum extent that we considered justifiable. It must also be remembered that in deciding our policy we had to take into account not

only the budgetary position of the Central Government, but also that of the Railways in which we are directly interested, and, further, that of the Provincial Governments who might be affected by our example and whose financial troubles react upon both the Central Government as their bankers, as also generally upon the financial position of India as a whole. Taking into account these wider implications, we felt it to be absolutely clear that we could not go further at present towards the restoration of full pay than the half measure which we have proposed.

71. To those who may think that we have gone too far, or that we ought not to have taken this step in priority to relaxation of measures of taxation, I wish particularly to emphasise that this must not be regarded as optional expenditure to be weighed in the balance against other possible demands on the public funds. Government is not really meeting its full obligations as long as it is not paying the fixed rates of pay of its officials—rates, moreover, which in certain cases are guaranteed by the Government of India Act. Government is therefore bound to regard the task before it as one of producing a balanced budget after including full pay to its servants. In fact, there is only one criticism which we could regard as relevant and valid, and that is if it could be maintained that the proposed remission goes further than financial conditions warrant. In this connection, I would remind them of one very important point which I have brought out earlier in my speech, namely, that in spite of the actual addition of Rs. 108 lakhs on the expenditure side which this proposal involves, we are able to show a net reduction in the Civil and Military expenditure of Rs. 90 lakhs. This fact alone should answer many criticisms. Apart from that, as regards financial justification, the action

now proposed must be judged by the results. What we hope is that conditions will so improve during the next year that it may be possible not merely to avoid retracing the step now taken, but to take the further step of restoring full pay and after that, making a start in reducing the burdens of taxation. Beyond the expression of such a hope it would be rash to go.

72. I may add one final point for consideration by critics who may think this proposal unduly favourable to the Services, namely, the significance of our having in our proposals coupled a reduction of the cut with the removal of the income-tax exemptions. We left it to be important to get rid as soon as possible of the position in which Government officials were treated as a special class as regards taxation, and subjected to special burdens in lieu of some of the burdens of taxation falling upon ordinary citizens. Honourable Members who criticised our original proposals were always very ready to calculate the exact value of these exemptions. I trust that they will be equally ready to recognise what the burden of their removal means. For officials on the highest rates of pay it means that they benefit very little from the present proposal; in fact, for officers earning Rs. 1,500 per month and over, the surcharges amount to from $2\frac{1}{2}$ to nearly $4\frac{3}{4}$ per cent. The greater part of benefit is felt in the lower grades. The final result in any case is that Government officials are still subjected, to a very special burden for they have to suffer, not only the heavy burden of ordinary taxation, but are further penalised by a special deduction of 5 per cent. from their salaries.

73. There is one consequence of our proposals which must have struck all Honourable Members. So far as the net burden to the Central Government is, under these proposals,

mitigated by the recovery of full income-tax surcharges from Government officials, including those serving under the Provincial Governments, it may be argued on behalf of the latter that it is inequitable that we should thus for our own benefit convert a deduction which was formerly treated as a cut in pay, into a deduction in the form of income-tax. We cannot admit that such a result would in any sense be improper, for it follows necessarily from the present constitutional position as regards taxation, and we would regard it as a very dangerous precedent to admit that the Central Government may have to give up the proceeds of taxes on the ground that they are borne by officers serving Provincial Governments. Nevertheless, so long as an emergency justifying a cut in pay persists, it must be admitted that the circumstances are exceptional while, having regard to the sequence of events, it must be recognised that there is some ground for the feelings of Provincial Governments. We desire within the limits of our resources to take account of these special considerations, and if the financial results for the year prove that it is possible, we intend, in due course, to put before the Legislature proposals that, in the case of Provincial Governments that can satisfy us that they are in unavoidable deficit, special grants shall be made to them, representing the amount collected during 1933-34 from the emergency income-tax increases now to be levied for the first time on the salaries of such of their officials as are still subjected to a cut in pay. Our estimates show that the total amount involved for all officers in the service of the Provincial Governments would be about 36 lakhs. If therefore our budget estimates are realised, we shall be in a position to make these grants.

74. Having explained the considerations which guided us in making our proposals about the cut in pay, it will be fairly

obvious to Honourable Members what our general policy in other matters must be. We have treated the restoration of the cut as our first objective, and the tentative step of partial restoration which we have proposed, represents the limit to which we think it safe, in present circumstances, to go. Otherwise, the whole carefully balanced framework of the financial plan which we introduced in September 1931 must in our view remain undisturbed. The position is sound; the plan has worked and proved equal to the emergency; budgetary equilibrium has been restored. But the future is still dark with uncertainty. Some of us may feel hopes that an improvement is coming. But one cannot make budget estimates or frame financial policy on hopes. We are materially better off than we were in September 1931 in the sense that we have got the measure of our difficulties and proved that our structure is strong enough to stand up against the storm, at least as hitherto experienced; but there could be no more fatal folly than to weaken that structure before the storm is over, and thus jeopardise all the success which has been achieved.

75. We therefore think that the structure must, at least until things are clearer, remain unaltered, and I have accordingly no remissions of taxation to propose.

76. We have considered very carefully whether in any cases of customs duties a point of so-called diminishing returns has been reached, but I am quite satisfied that there is no class of ordinary imports in regard to which a reduction of the duty would so stimulate the demand as to produce an increase of revenue. I have little doubt that in the course of the budget debate, questions of this kind will be raised, and I can defer a statement of the evidence in regard to any particular item until then. We have given special consideration to two very

high import duties, those on silver and sugar. As to silver, it might perhaps be argued with greater force than in the case of any other article that a reduction in the duty might stimulate consumption, or at least that, as we are recovering so little duty now, we could afford to risk the experiment. If revenue were the only consideration, there is doubtless a good deal in the argument. But we had to take other considerations also into account. The internal price, which affects many classes in India, depends on the rate of the import duty, and any lowering of that would have had a disturbing effect. On the whole, we thought it to be in the public interest not to introduce disturbing factors of that kind just now.

In the case of sugar, it is essential to remember that the present rate of duty is substantially higher than the maximum protective duty recommended by the Tariff Board. It is conceivable that a lowering of the duty might, in this case, stimulate imports of foreign sugar. But just at this moment many new factories are being started and for that reason one must hesitate to make any sudden change. On the other hand, it would be highly imprudent for those who are investing money in the sugar business to forget that present conditions are more favourable than those on which, according to the recommendations of the Tariff Board, they have any right permanently to rely. For this reason, a due proportion of the profits that are earned on the present basis ought to be accumulated as reserves, for no right can become established to a continuance of the present position.

77. As regards Taxes on Income, we deplore as much as anybody the necessity for a continuance of the present rates, but all that we can promise, and this we do most sincerely,

is that they will not be continued longer than is necessary and that all our efforts will be directed to keeping down expenditure and to preparing in other ways for a lightening of this particular burden.

78. While our general plan is, as I have explained, to stand on our present position without weakening any part of it, there are three proposals of minor importance which are included in the Finance Bill and which I must now explain.

79. The first two are changes in the import duties on boots and shoes and artificial silk goods which can be described as revenue measures with a protective significance. Their justification really depends on the combination of these two qualities.

80. Special taxes, going beyond the ordinary 25 per cent. surcharge, *viz.*, a specific minimum duty on boots and shoes and enhanced rates of duty on artificial silk manufactures, were imposed on these two classes of articles in the *Emergency Act of* 1931, and these have proved excellent revenue producers. We estimate the yield from the duty on boots and shoes during the current year at Rs. 27 lakhs, while the year's yield from artificial silk manufactures may be roughly estimated at nearly 1½ crores. In the revenue estimates for 1933-34 I have assumed that these two taxes will bring in as much revenue next year as in the current year, but it would not be safe to reckon on such a result if the duties were left unchanged. I will explain the reason for this.

81. First, in the case of boots and shoes, establishments have been set up in India for the production of shoes, made from imported canvas uppers and imported rubber soling

sheets. Both of these constituents pay duty at no more than the standard revenue rate, and the result is that by this very simple process of merely assembling in India, what are really foreign manufactures, the amount of duty paid by importers is very greatly reduced. The Bill proposes, therefore, to apply to uppers for boots and shoes, a minimum specific duty at half the rate applicable to complete boots and shoes. This will do much to safeguard the revenue, while it will at the same time leave some slight margin of advantage to the local assembly plant as compared with the importer of the complete article. Leather uppers, which in any case could not be cheap enough to fall within the scope of the minimum specific duty, are excluded for the technical reason that the *ad valorem* duty to which they are liable is, owing to the operation of the Ottawa Trade Agreement, different from that applicable to other uppers.

82. I now come to the second group of proposals which relate to artificial silk goods and to mixtures in which either silk or artificial silk may be included. The existing rate for mixtures is, owing to the operation of surcharges, 34⅜ths per cent. This item was introduced as providing an intermediate rate between that applicable to silk and that applicable to the other textile ingredient, whatever it may be, with which the silk is mixed. With the raising of the duty on non-British cotton piece-goods to 50 per cent. by the notification of last August, a new situation has been created, for manufacturers of such goods can escape this special duty by introducing, at a trifling expense, a very small quantity of silk or artificial silk into the warp or weft of cotton goods, and thus secure assessment at the lower rate of 34⅜ths per cent. applicable to mixtures—a result which would not only involve loss of revenue but would impair the operation of the

protective policy of the Government. We have rejected a proposal that the mixed rate should be raised to 50 per cent., since that would be unfair to all the remaining classes of silk or artificial mixtures where the duty is still an intermediate one, and have resorted instead to the device of a minimum specific duty.

83. While a change in the duty on mixtures has been necessary for these reasons, it has also appeared desirable to us to guard against any falling off from the very satisfactory revenue that we have been receiving from the higher *ad valorem* duties on pure artificial silk goods, the imports of which are 99 per cent. Japanese. Such losses might occur either through a further fall in prices of Japanese goods, or through a decline in the volume of imports. We are also not able to leave out of consideration the possibility that to some extent competition of these goods, no less than of mixtures, when imported at very cheap rates, may impair the effectiveness of the special protective duties on cotton piece-goods. Here again, merely to raise the *ad valorem* rate would not only be a dangerous device from the revenue point of view, but would also be unfair to the manufacturers of the more expensive article in countries other than Japan; and for both these reasons, we have in this case also resorted to the device of a minimum specific duty.

84. The duties which we propose in both these cases have been carefully worked out in the light of the objectives to be attained, and they are 4 annas per square yard for pure goods and 2 annas 3 pies for mixtures.

(I may here note that in the case of both these proposals no distinction is made between silk and artificial silk. I

have already explained why this must be so in the case of mixtures. In the case of pure goods, although the arguments in favour of imposing the specific duty for pure artificial silk goods do not apply to pure silk goods, nevertheless in practice, it is highly unlikely that the duty which we have proposed will ever come into operation with silk goods; while it is desirable, on administrative grounds, to maintain the duty on silk goods and artificial silk goods at the same level. We are therefore nominally extending the minimum to silk goods also. We do not think that these specific duties should be applied to fents, which, as in the case of cotton fents, will remain liable to the ordinary *ad valorem* duty.)

The value per square yard of the classes of piece-goods concerned can only be estimated, since the trade is recorded in linear yards, but on the best estimate that can be made, we calculate that with present prices the *ad valorem* incidence of the proposed duties will, in the case of pure artificial silk goods, be 100 per cent. on the Japanese and from 26 to 32 per cent. on others; while on silk and artificial silk mixtures, the average incidence will be 47 per cent. on Japanese goods and from 32 to 36 per cent. on others. In regard to mixtures I would remind the House that we are here mainly concerned with a possible abuse of the mixture definition so as to pass off what should really be called cotton goods as mixtures, in which case the *ad valorem* incidence of the specific duty would be very much higher.

Finally, I may say that we are making one more slight change and taking this opportunity to round off to 35 per cent. the present duty on mixtures, which, owing to the

operation of the two surcharges, has reached the uncomfortable figure of 34⅜ths per cent.

85. The last of the three small changes which, as I have explained, we are proposing in the Finance Bill, is designed to benefit not the Central but Provincial revenues. The House will remember that the stamp duty on cheques was abolished with effect from the 1st July 1927 on the recommendation of the Currency Commission of 1926. It was hoped that the abolition of the duty in India would lead to a wide adoption of cheques as a means of payment and thereby to a desirable encouragement of the banking habit. The actual results, however, have not been encouraging, and from enquiries made, the Government of India believe that the remission of the duty has not had much effect. The report of the Indian Central Banking Enquiry Committee tends to confirm this belief, as it found that the most serious obstacle to the growth of the cheque habit in the country was the illiteracy of the people. We therefore felt that we had no strong grounds on which to resist the demand which has been pressed upon us by various Provincial Governments that the stamp duty should be reimposed in order to help their revenue, and we have accordingly, somewhat reluctantly, agreed to propose a reimposition of the duty for a limited period of three years. In order to allow due notice to banks and the public the change will, according to our proposal, only come into effect on the 1st July 1933. A provision for this purpose is included in the Finance Bill. The legislation must be central but the proceeds will be divided among the Provinces. We estimate that the proceeds in a full year will be about seven lakhs of which the greater share will go to Bombay and Bengal.

86. *Ways and Means.*—I must now turn to a review of the Ways and Means position for the current year and the next.

The outstanding features of the year have been the sensational improvement in our credit both in England and locally, which enabled us to fund a much larger amount of our loan commitments than appeared possible when I made my budget speech last year, and the strengthening in our currency reserves which has been possible as a result of the improvement both in our credit and in sterling exchange.

87. I will deal first with the latter. In my budget speech for 1932-33 I showed that one of the first sequels to the currency policy adopted in September 1931 was a large demand for currency in India. This currency had to be supplied, and though we were able to effect large purchases of sterling we decided that in the first instance the additional currency should be provided by the creation of *ad hoc* treasury bills, and that the sterling should be used for other purposes, such as the liquidation of our immediate loan liabilities in London. In this way, we effected a net expansion of 35 crores against treasury bills. At the same time, I indicated that if in the current year we obtained more sterling than was necessary for supplying the requirements of our Home Treasury and the repayment of sterling loans falling due, the surplus would be used to strengthen our sterling currency reserves. This policy has been carried out and sterling securities have been substituted on a large scale for Treasury Bills, the net reduction of the latter so effected during the year amounting to 14,39 lakhs.

I have already dealt with this question in my broader survey of the position as regards gold exports.

88. *Loans.*—In my last budget speech, I anticipated that it would be possible to reduce the amount of treasury bills held by the public by about 7½ crores from the current resources, and that we should not have to raise any loans during the year, except to meet our maturing liabilities. I indicated, however, that if conditions were favourable we should take the opportunity by loan issues to strengthen our position and in particular to fund as much as possible of our floating debt. The continuous rapid improvement in our credit enabled us to float no less than one sterling and four rupee loans at rates which improved from over 5¾ per cent. to something below 4¼ per cent. The results of the latest conversion loan operation are not yet fully known, and when the estimates had to be completed early in February, we could only work on guesses as to how much would be converted. For the purpose of the printed estimates, we have assumed that Rs. 22 crores would be converted, and I have had to work out all my figures on this cautious assumption, though this amount had actually already been reached by February 21st. If I assume a higher figure, say 30 crores, the position is that against an originally estimated discharge of permanent debt of 26½ crores during the year, we shall be able to discharge nearly 78 crores, and in addition, to reduce the treasury bills outstanding with the public by 19,53 lakhs as compared with our original estimate of 7,51. When the discharge of *ad hoc* treasury bills, to which I have already referred, and the repayment of Ways and Means advances are included, this means that during the current year we shall have been able to fund immediate liabilities to the huge amount of 121 crores, as compared with a budget estimate of 34. The bulk of this has been converted into regular loans for which the obligatory maturities range from 8 years in the case of the first loan issued last

year, to 37 years in the case of our latest conversion scheme. The details of these loans are as follows :—

REVISED, 1932-33.

	Rs. Lakhs.	
India.		
4 per cent. 1943	.. 14,67	
4 per cent. 1960-70 ..	.. 30,00	
5 per cent. 1940-43 ..	.. 24,68	
5½ per cent. 1938-40 ..	.. 18,76	
		88,11
England.		
5 per cent. Stock 1942-47 ..		12,67
Total ..		100,78

89. Our general programme has also been helped by exceptionally large receipts from post office cash certificates and savings bank deposits. Though the cheapening of money rates has enabled us to reduce the yield on the former from 6 per cent. to 4½ by two stages, the latter becoming operative on January 1st on which date most banks in India also reduced their rate of interest on deposit, no less than 14,35 lakhs was obtained from these two sources, as compared with the budget estimate of 7 crores, and an average of less than 5½ crores for the 5 years from 1926 to 1931. I want to direct particular attention to this result on which I have already commented in my genral review of the economic position.

90. *Capital Expenditure—Railways.*—The Railway capital outlay in the current year is now estimated to be 81 lakhs as compared with 4,15 lakhs estimated in the budget—this reduction meaning an improvement of 3,34 lakhs in our Ways and Means position. As against this, the results of normal operations have made somewhat heavier demands on our Ways and Means position than was anticipated. The gross receipts continued to be disappointing, though the fall was largely offset by increased savings in working expenses.

The net result is that a loan of 934 lakhs had to be taken from the depreciation fund as compared with the estimate of 759 in the budget. In this connection, however, I must point out that the accretion to the depreciation fund during the year was 815 lakhs so that the effect of this loan is to reduce the fund by only 119 lakhs, from 14,86 to 13,67.

91. *Provincial drawings.*—The provincial drawings have been much less than was anticipated when framing the budget, amounting to 564 lakhs as compared with 10,62, this being the effect of the policy of the drastic restriction of advances from the provincial loans fund to capital works already in hand, and the curtailment of these as far as possible. Unfortunately, though the position of some Provinces was better than anticipated, others, particularly Bengal, have had again to face heavy deficits.

92. *Revenue surplus.*—It is estimated that the revenue surplus will be 217 lakhs as compared with the 215 lakhs originally budgetted for.

NEXT YEAR 1933-34.

93. *Capital Expenditure.*—I shall have something to say in my concluding remarks as regards our general policy of Capital expenditure and the possibility of expansion in the future. But whatever change in the direction of a more expensive programme we may hereafter feel justified in considering, it is not likely to have appreciable effects as regards expenditure in the coming year. For the purpose of the estimates, we are including provision for Capital expenditure of 330 lakhs on the Railways and 424 lakhs for loans to the Provincial Governments.

94. *Borrowing programme,* 1933-34.—With this reduced capital programme, I estimate that it will be possible to

effect a further reduction of 8 crores in our outstanding treasury bills and still have approximately 17 crores available to meet our maturing loan liabilities, apart from what we may obtain from fresh borrowing. This is clearly a very strong position. In making this estimate, I have allowed for the possibility of drawing to the extent of about 11 crores on our sterling balance with the Secretary of State. Owing to the very large figure at which this balance now stands, such a reduction would be quite legitimate. Apart from this, I have allowed only for receipts to the amount of 840 lakhs from savings bank and cash certificate receipts. This is of course very substantially less than the estimated figure of 14,35 lakhs in the current year. I have allowed for this decrease because of the reduction in the rate of interest to 4½ per cent., but this form of investment has now so thoroughly popularised itself throughout India that it is not at all improbable that our budget estimate will be materially exceeded.

95. Against these resources of 17 crores our maturing loan liabilities are of very modest dimensions. We have the option of repaying the £ 7 millions 6 per cent. sterling 1933-35 bonds, and we shall have to deal with any portion of the rupee loans of 1929-47, 1933 and 1933-36 which is not converted. On the assumption that 30 crores of the latter are converted, we shall only require, to raise a loan of 4 crores in India, and on the assumption that we repay the £ 7 million sterling loan, we should require to raise only £ 6 million equivalent to 8 crores in London. These figures however, cannot be regarded as more than tokens. If conditions are favourable in London, we might issue a larger loan and use the proceeds for strengthening our sterling currency reserves, or to repay £ 10 million 6 per cent. 1933-34 Bonds which we

have the option of repaying on the 15th December. If the conversions on our present scheme are larger than 30 crores, the loan liabilities in India will be so much less, and we may proceed further with the funding of treasury bills.

One important point to note is that according to these estimates, and without any further loans, the treasury bills outstanding with the public will, on our present estimates, be reduced to the comfortable figure of 28 crores by March 31, 1933, a very satisfactory reduction from the 84¼ crores outstanding at the end of August 1931.

96. *Home charges.*—Exchange was very steady throughout the year, and large purchases of sterling were made from the middle of August. The estimated purchases for the year are approximately thirty-nine million pounds. In addition, £ 715,000 was taken over from the Calcutta Port Trust, being the balance of a sterling loan floated by them. Our requirements for the year were £ 24 millions so that the balance of approximately £ 15½ millions was available for strengthening our currency reserves, which I indicated in my last budget speech as the most appropriate use to which they could be put. I estimate that our closing balance in London this year will be £ 13,400,000 as compared with £ 15,900,000 last year. This is still a large figure, but I consider it advisable to adhere to it, as an alternative source from which we can meet our sterling loan maturities should this prove preferable to sterling borrowing. On the assumption that we float a sterling loan of six millions, this means that the sterling which we will have to purchase in 1933-34 will be £ 21 million, and if further remittances are obtained, it will probably prove best to devote them, as in this year, to the further strengthening of our sterling reserves.

97. The position which I have thus explained may be summarised as follows: but I must repeat that this summary is compiled on the assumption that only 22 crores will have been taken up under the February conversion scheme. If the results are different from this, the figures as regards rupee loans, both for the current year and next year will be substantially altered.

Liabilities.

	Budget. 1932-33.	Revised. 1932-33.	Budget. 1933-34.
Railway Capital outlay	4·15	·81	3·30
Other Capital outlay	1·50	1·52	1·23
Provincial drawings	10·62	5·64	4·37
Discharge of permanent debt	26·56	60·48	37·10
Discharge of treasury bills—			
(*a*) with the public	7·51	19·53	8·00
(*b*) in the Paper Currency Reserve ..	....	14·30	....
Repayment of Ways and Means advances ..	....	9·50	....
Loans and advances by Central Government ..	·28	·76	·72
Other transactions	·06	1·53	2·53
	50·66	123·16	52·19
Resources.			
Revenue surplus	2·15	2·17	·42
Rupee loans (net)	14.50	80·11	12·00
Sterling loans (net)	8·00	12·67	8·00
Post Office cash certificates and savings bank ..	7·00	14·35	8·40
Other unfunded debt	4·71	3·67	4·96
Appropriation for reduction or avoidance of debt	6·82	6·84	6·88
Depreciation and Reserve Funds	·52	—·91	—·20
Reduction of cash balances	6·96	4·26	11·73
	50·66	123·16	52·19

98. I have endeavoured to give the House a fair appreciation of our present position. I fear that I have taken a great time, but even so it has only been possible to touch superficially

on many important points. In the field of finance, the outstanding features of the year under review are, first, the re-establishment of budgetary equilibrium, secondly the great improvement in Government credit which has completely transformed the market for Government securities, thirdly, the creation of cheap money conditions.

99. I want to say a few final words on the last two points which are closely connected. If we turn our memories back eighteen months ago to that day in September 1931 when I had to introduce the emergency financial plan, the transformation is indeed marvellous. At that time 3½ per cent. paper in India stood at 53 ; now it stands at about 82 ; Indian 3½ per cent. sterling securities stood at 46 ; now they stand at about 89. The 1960-70 4 per cent. loan of which we hope to place about 30 crores on our present conversion plan and which stands at about 94 then stood at 62, and at that time the idea of placing a long term loan on any terms would have been utterly impossible. Eighteen months ago, the bank rate stood at 8 per cent. to-day it stands at 3½ per cent. and I would remind the house that at least as far back as I have been able to trace, that is for 29 years back to 1904, the bank rate at this time of the year has never stood below 6 per cent.

Eighteen months ago, we had a floating debt of Rs. 84 crores ; to-day it is reduced to 35 crores. Now in all this we have obviously been helped by world conditions, and of course cheap money is to some extent a sign of low industrial and commercial activity. But making every allowance for these factors, the transformation in our position would have been quite impossible unless our own budgetary policy had been sound.

100. The maintenance both of Government credit and of cheap money conditions is dependent on the maintenance

of a sound budgetary position, for if Government were to start meeting its current needs with borrowed money, we might not only become unable to borrow that money at cheap rates, but it might also be necessary to raise the bank rate in order to protect the currency position.

101. I wish, moreover, to emphasise how vitally important it is in the interests of commerce and industry to maintain both these conditions of high credit and cheap money. Indeed, the one hope amid the present depression is that the power to raise long term loans at low rates of interest will provide a stimulus for the revival of capital expenditure; and that is the only sound way by which an exit can be found from the present depression. I know that many people hold that the present high rates of taxation, particularly of income-tax, are crushing industrial enterprsie; but I would put it to them that nothing is more likely to damage business than a premature relaxation of our present measures leading to difficulties and unsoundness in public finance. For this again would lead not only to a loss of Government credit and a rise in the general rates of interest, but would almost certainly make it necessary in the long run to reimpose taxation at higher rates in order to recover the lost ground. If, on the other hand, the Government keeps its position strong, and if, as a result of the confidence thus created, the public become ready to invest in long term securities at low rates of interest, that offers hope of an industrial revival which will soon make it possible to reduce taxation. There is no other sound remedy for the present disease.

102. Let me say also a few words as to Government's own policy in these matters. We believe that the time is coming when our own position will be so strong that we can safely contemplate relaxing the restriction on capital expenditure

which we have had to impose during the last few years. With the success of our conversion schemes, we are gradually approaching a period when we shall be entirely relieved of the embarrassment of having to meet heavy loan maturities each year. Once that stage is attained, we shall require to raise only a very small amount of money from the public each year in order to support quite a substantial programme of capital expenditure.

103. But there are certain conditions which will very definitely govern our action.

In the first place, we must adhere to the policy of not regarding any schemes as suitable objects for capital expenditure which are not economically sound and productive. In the second place, we do not intend to launch out into any programme on a scale which is likely to depress the market for Government securities by putting us in the position of having to ask the investing public to subscribe more money than it has readily available for investment. We are approaching a period when there is more money for investment in Government loans than we require to raise. That is a very healthy change of conditions from those of the past few years and we do not intend to disturb these new conditions.

104. As regards the outlets for capital expenditure, these again must be carefully chosen. Contrary to the general public impression, it does not appear that there are any very urgently needed railway extensions or railway works, for in spite of the restrictions of the past few years, the railways have kept fairly well abreast of current needs. Railways, moreover, must no longer be treated in isolation; they must be regarded merely as one part of a general system of transportation and communications, of which roads also are a most important feature. At the Conference on Road and

Railway policy which is to be held at Simla on April 24, as announced by His Excellency the Governor-General when he addressed the Assembly at the opening of this session, we shall consider the whole problem of financing road development. Whether any immediate opening for sound capital expenditure can be found in connection with roads, I cannot yet say. All that I can say is that the time has come when we think it right to give these matters our active consideration.

105. In the matter of our future policy as regards conversion schemes and funding operations, I cannot of course announce any precise plans. We have proceeded so far step by step, and at each step, we have raised the level of securities and given to the investors concerned an opportunity to convert their holdings in a manner which has left them a good margin of profit. I have every reason to anticipate that this process will continue, for I believe that, subject always to the maintenance of sound Government finance, we have before us a long period of cheap money and the possibility of seeing securities reach a substantially higher level. In this policy, we are looking not merely to the immediate, but also to the more distant future. We feel that with the new constitution approaching, we have a special duty to prepare the way, so that the first years of the new Government may be freed from embarrassment. In particular, we desire to consolidate the position so as to make it possible to start a Reserve Bank on sound foundations.

106. And that brings me to the last thing which I have to say. I fully realise that the budgetary plan which I have just announced is not of a nature to stir enthusiasm. It involves a continuance of the grim effort which has been sustained during the past eighteen months. But if Honourable

Members look round the world, they will, during the next few weeks, see the Finance Ministers in every country which believes in sound finance introducing budgets very much of this kind. If they dislike the continuance of this effort, I am sure they will appreciate that I dislike it equally, and that it must be a very great disappointment for me, on this occasion of the last budget of my five-year term, not to be able to take for the first time the pleasant path of relaxing burdens of taxation. But I have felt it necessary to take the harder path ; and I have at least this consolation. When I first took office, though the rest of the world was still booming, it became apparent to me very early that India was faced with special difficulties, and was destined for a period both of constitutional uncertainty, and of borrowing to meet past commitments, which would inevitably reduce her credit. But today, we have recovered from all that and I think we may feel that India, amidst a world which is floundering in the gravest trouble and distress, has reached a position in regard to her public finance which challenges comparision with that of any other country. That we have been aided both by special fortune and by the strong reserve resources of the Indian people in attaining this position, I should be the first to admit. But that, while it does not diminish the value of the position, only strengthens the obligation which rests upon us to make the utmost efforts to maintain it. I would appeal to the House to support us both in those efforts and in the fulfilment of what is now our guiding purpose—the purpose of leaving to the new Government of India a house well stored and buttressed against all the storms which it may encounter.

GEORGE SCHUSTER.

The 28*th February* 1933.

RAILWAY BUDGET.

Extract from the proceedings of a meeting of the Legislative Assembly held on Thursday, 16th February 1933.

Speech of the Railway Member introducing the Railway Budget for 1933-34.

The first Railway Budget which it has fallen to my lot to present to this House, unfortunately covers a period of economic depression, unexampled within recent times in the severity and extent of its incidence. That the Railway estimates should reflect that depression is of course inevitable. But there are legitimate grounds for hope that we have at last touched rock bottom and that though recovery may yet be delayed, we have in all probability experienced the worst. On that assumption, we have built our estimates.

2. It is usual to preface the statement on the estimates of the year by a mention of any important changes that may have been made in the form of the Demands placed in the hands of Honourable Members. Two such have been made in the structure of our Demands for Grants on the advice of the Public Accounts Committee, and with the approval of the Standing Finance Committee for Railways. The first is the amalgamation of the Demands for strategic lines and commercial lines. The present system of having separate demands has not been found conducive to efficient control of expenditure. Strategic lines are administered as an integral part of the North Western Railway system, the expenditure on the whole of which is initially booked in one set of accounts. Only a small portion of this expenditure can be directly allocated to strategic lines; the major part being distributed between strategic railways and the commercial railways forming part of the total system proportionately according

to certain formulæ. The Public Accounts Committee recommended that separate Demands for Grants for strategic lines should be done away with, but that information about the results of the working of strategic lines should be given in a separate appendix to the Book of Demands. We have adopted both these recommendations. The other change of importance is that we are showing in one Demand the total expenditure on open line works, whether the expenditure is technically met from the Depreciation Fund or charged to Capital. The past practice was originally adopted in order to emphasise the different sources from which funds were obtained. In so far as it was adopted for the purpose of controlling expenditure, the practice has, however, proved entirely ineffective, because the expenditure from the Depreciation Fund being a fixed amount, *viz.*, the original cost of the asset replaced, cannot be controlled separately. The system of having separate Grants has resulted on many railways in necessary adjustments between Capital and Depreciation Fund being postponed for fear of exceeding the Grant. Here too the Public Accounts Committee and the Standing Finance Committee for Railways were unanimous in recommending the change. The information available to the House in respect of these works will not, however, be reduced in any way; as in the combined demand the expenditure charged to capital will be shown separately from the expenditure met from the Depreciation Fund. Demand No. 10 will henceforth be utilised only to record temporary withdrawals from the Depreciation Fund, and I trust the occasion on which we shall have to use it will be rare. A third change of less importance is the addition of a new Demand for interest charges. Hitherto, interest charges have not found a place in the Demands for Grants, because the total expenditure was non-voted. From

1933-34 it has been decided that railway revenues should bear a share of the total cost of the management of specific railway debt, proportionate to the railway debentures or loans appropriated for specific railway purposes. Hitherto, this had been merged in the total expenditure on management of debt in England and met from general revenues in full. Similar charges in respect of debt not specifically incurred on behalf of railways are already being met from railway revenues, as the rate of interest charged takes these charges into account. This amount is votable and a Demand will consequently be placed before you for the small amount of just under 3 lakhs involved in this change. We have also made minor changes in the appendices to the memorandum on the railway budget which I shall leave Honourable Members to discover for themselves; I need only say that they have been made in order to increase the information available to this House.

Honourable Members will no doubt notice, and, I hope approve, the change in the size of the pamphlets placed before them. The Pink Books, which used formerly to be of foolscap size, have now become octavo. The change combines economy with convenience.

3. May I venture, though probably it has by now become unnecessary to do so, to remind Honourable Members that when notices of motions for reductions in Demands are given, it would be convenient if, following the usual practice, they would indicate briefly the questions which they intend to raise? It lightens the task of Government Members, who have to reply to these points and at the same time enables them to give fuller information to the House than would otherwise be possible.

Financial results of 1931-32.

4. Before I proceed to deal with the anticipated results of this year and the next, which primarily concern us at present, it will probably help to a better understanding of the general financial position if I first deal briefly with last year's results. These did not differ materially from the revised estimate framed this time last year, but whatever difference ther ewas, was fortunately on the right side. The loss in the working of commercial lines turned out to be 7¼ crores, or a quarter of a crore less than anticipated, and that on strategic lines just under 2 crores. The total loss of 9¼ crores was met to the extent of just under 5 crores by the withdrawal of the uninvested balance of our reserve fund and the remainder 4¼ crores, was taken as a temporary loan from the Depreciation Fund.

Revised estimate for 1932-33.

5. In dealing with the estimates for 1932-33 and 1933-34, I propose to follow the recommendations of the Public Accounts Committee and deal with commercial and strategic lines together. The results of the latter are more or less constant, being a loss of very near 2 crores a year and do not therefore affect comparisons to any considerable extent. Though the budget for 1932-33 was not framed on any optimistic basis and anticipated a total deficit of 7½ crores, of which 5½ crores was on commercial lines, our present anticipations are that the results will be 1¾ crores worse. The deterioration is entirely due to a further fall in earnings. The assumption that the volume of traffic obtained last year would not diminish, has unhappily been falsified. A temporary recovery which continued through many weeks raised hopes that our budget estimate might be reached, or even exceeded, but later events proved that our hopes were premature.

The position grew rapidly worse, and our present estimate of traffic receipts is 2½ crores below our budget figures. Allowing for the difference of classification of credits from materials returned from works not charged to revenue, we expect to fall about a crore and a third below last year's figures.

Our working expenses, on the other hand, are not expected to vary greatly from our budget estimate. Though our estimate of the savings from the emergency deductioms from pay has been found to have been too high by very nearly half a crore, most of the consequent increase in our expenditure is likely to be met by reductions under other heads, particularly in the cost of fuel. Our interest charges, moreover, are less by about three-quarters of a crore owing to the fall in the rates of interest, and our total loss on all lines including 2 crores on account of strategic lines, is now expected to be 9⅓ crores, a figure only slightly above the loss of last year. This sum, we have to withdraw from the Depreciation Fund. The balance at the credit of that Fund, which was nearly 15 crores at the beginning of the year and which will be increased by about 8 crores owing to the net accretion due to the surplus of our payments into the Fund over withdrawals from it to meet current replacements and renewals, will in consequence be reduced to 13⅔ crores.

Budget estimate for 1933-34.

6. For the year 1933-34, we estimate that our total traffic receipts will be 88¼ crores and our total working expenses, including depreciation, just over 63 crores. Net traffic receipts will thus amount to nearly 25¼ crores. Our other receipts are diminishing as a result of the gradual reduction of our balances in the Depreciation Fund and will be practically counterbalanced by our miscellaneous charges. Taking

all these into account, we calculate that our net revenue will be insufficient to meet our interest charges by about 7¾ crores. This deficit (of which 5¾ crores is in respect of commercial lines) has again to be found by a temporary loan from the Depreciation Fund, which will stand at the end of 1933-34 at 13⅜ crores.

In the hope that we have plumbed the lowest depths of the present period of economic depression and we may anticipate a slight recovery, we are placing our estimate of traffic earnings about 1¾ crores or barely 2 per cent. above the current year's figures. This is practically what was actually received in 1931-32, and in view of the fact that during 1933-34 our rates of freight and fares will be at an appreciably higher level than they were during he greater part of 1931-32, I do not think that these estimates can be considered as unduly optimistic.

We estimate our working expenses next year at 25 lakhs higher than in the current year. The reduction by a half of the emergency cut in pay, after allowing for the fact that we shall no longer have to pay to the Income-tax Department the compensation we paid this year in respect of the exemption of railway staff from payment of the additional taxation imposed in November 1931, is responsible for a difference of 67 lakhs. Our estimates allow, however, for a reduction of other expenditure amounting to 42 lakhs, of which more than half is in our fuel bill. We have had to provide for a certain amount of additional expenditure on repairs and maintenance in order to maintain our existing assets in good repair, but we hope that our other operating expenses classified under the heads Administration and Operation will show a substantial decrease. Both during the current and in the past year, the gratuities payable have been abnormally

high owing to the large number of discharges that we had to effect. The result of these discharges on the cost of staff will be fully reflected in the expenditure for the next year, and we have assumed that the decrease due to this cause will be at least sufficient to counterbalance the normal increase in expenditure caused by the annual increments earned by the staff. This reduction in expenditure during 1933-34 can, however, only be secured by the exercise of the most rigid control, and railway administrations will have to see that no relaxation of the economy campaign is permitted.

7. In laying these estimates before the House, I would only say that if they produce at first a depressing reaction, a more careful and detailed appreciation of the figures, which are available to Honourable Members will, I am sure, result in the more comforting conclusion that, considering the conditions under which our railways are now operating, their financial position, as disclosed by these figures, is one of considerable strength and undeniable soundness. While we remember that during the two years 1930-31 and 1931-32, the deficits of Indian Railways have amounted to over 14 crores and that the estimated deficits of the next two years bring up the total to over 31 crores, let us not forget, at the same time, that during the first six years of this decade they earned a total surplus of over 52 crores and that the net result of these ten years, after the separation of railway finances from general finances, will thus be a total surplus of 21 crores. Like other railways all the world, over Indian railways are for the moment passing through a period of almost unprecedented difficulty, due largely to world causes. They have suffered considerably from causes which are common to all railways, but they are not the only sufferers nor indeed the worst sufferers. A careful analysis of our

position will, I think, reveal the fact that there is nothing radically wrong in it. Our net traffic receipts at present amount to about 24 or 25 crores. This means that on their capital of about 800 crores Indian Railways are still earning more than 3 per cent., which is what few other railways in the world are to-day in a position to do. Nor must we forget the fact that this figure of net traffic receipts is arrived at after providing for the full calculated depreciation on our assets, and that the amount paid into the depreciation reserve fund is at the present moment about 8 crores higher than the amount required during the year to meet that portion of our expenditure on renewals and replacements which the fund is expected to meet. If, instead of taking the calculated amount of depreciation, we were to take only the actual amounts required to be drawn in cash from the fund during the current year, our net traffic receipts would have amounted to 32 crores. This would have given a return of 4 per cent. on the capital invested, and our total deficits during the two years, taking both commercial and strategic lines together, would have been reduced to barely a crore. Taking commercial lines alone, we should have had profits of over 2 crores. I doubt whether any railway in the world of a comparable character could at the moment show such results.

8. I turn next to a few matters of interest which I think are of sufficient importance to merit specific mention.

First, let me advert to the subject of our new Capital expenditure during the coming year. Our capital programme for 1933-34 is a very attenuated one. Apart from the completion of our existing commitments, it provides only for bare essentials. No new lines are to be undertaken, the amount of 32 lakhs provided for new construction being

only for the purpose of completing lines already begun. The total amount we expect to require for all expenditure on works not charged to revenue is 9¼ crores in cash after allowing for a reduction of about 1¼ crores in stores balances. Apart from the strengthening of a few bridges which we have had to undertake, the only important expenditure of any magnitude is on the purchase of a number of wagons in replacement of those which have passed their normal lives and are proving uneconomic to maintain. We are providing for the purchase of 2,500 wagons at a cost of about 90 lakhs. While this is expected to reduce our cost of maintenance of wagons, it will afford assistance to the Indian wagon building industry at a time when orders are badly needed. I should like here to refer, in passing to the suggestions that have been made from many a quarters, that Government should take the opportunity presented by the present comparatively low rates of interest and low prices of material, to embark on a larger programme of railway construction and development. It is undoubtedly true that the fall in the rate of interest has made certain projects which we had to lay aside as unremunerative in recent years more attractive. At the same time, it must not be forgotten that the question of the remunerativeness of new constructions will now have to be examined afresh, with reference to the rival claims and possibilities of road transport, much more carefully than in the past. It is, for instance, a question for careful consideration whether the facilities sought to be provided by short branch line extensions of, or feeders to, existing lines, to which a good deal of attention has been paid in India in the past, cannot be more profitably supplied as part of a co-ordinated scheme of road development. An era of cheaper money would certainly necessitate our re-examining with care and attention

many schemes which would have resulted in a reduction in maintenance or operating costs, but have had to be laid aside because they were not considered remunerative when higher rates of interest prevailed. All these investigations and examinations will take some time and cannot affect the next year's budget. They will, however, receive our careful consideration, and the House may rest assured that when we come to the conclusion that it is wise and in the interests of railways and the country at large to undertake capital outlay of any sort on railway construction and development, we shall not hesitate to take the earliest opportunity of laying such proposals before you or the Standing Finance Committee for Railways.

9. There have not been wanting critics of our Depreciation Fund procedure who have suggested that one of the ways in which we could secure relief for the railway budget at this juncture is by reducing our contribution to the Depreciation Fund and that our present contributions are not only unnecessarily high but are unduly embarrassing in our present financial circumstances. These criticisms cannot be lightly brushed aside. In the ten years since the inception of the fund, *i.e.*, during the decade 1924-25 to 1933-34, the amounts paid into the fund aggregate 122 crores, while the amounts required to be withdrawn from the fund under its rules, as representing the original cost of unit assets renewed or replaced total 87 crores. Had circumstances not compelled us to take temporary loans from the fund, the balance at the end of 1933-34 would amount to about 35 crores.

The railway depreciation fund is built up by annual contributions representing roughly the value of the various classes of wasting assets included in our railway property

divided by their assumed lives, different lives being assigned on basis of the past experience to each class. Such contributions are continued throughout the whole period of the assumed life of each asset, irrespective of when it is actually retired or replaced. The original cost of the asset is withdrawn from the fund when it is actually retired or replaced. Ordinarily it is to be expected that, in an expanding concern like Indian Railways, the withdrawals from a fund of this nature, under present circumstances, will be considerably less than the contributions to it; for the latter depend on the assets existing at present, whereas the former depend on the assets in existence a number of years ago which are due for renewal or replacement at the present moment. For instance, the contribution in respect of wagons depends on the number and value of wagons in existence now, whereas the actual replacements are proportionate to the stock of wagons as it was some 40 years ago—this being their estimated normal life—and is based on the cost at that time. Again, we have been, of recent years, replacing assets bought when prices were comparatively low and paying contribution on assets bought at higher prices. Finally, Indian Railways are still comparatively young; many of our assets have still a long useful life and their turn to be renewed or replaced has not yet come. On the other hand, it has to be remembered that no provision was made at the inception of the fund for arrears of depreciation while money has been withdrawn to meet the cost of all renewals, and we had a comparatively ambitious programme of works in the years immediately following the institution of the fund. Premature renewals have also been effected to a certain extent. Taking all factors into consideration, however, the size of the fund gives cause for serious reflection. It is not surprising to find that the

view is held in some quarters that the assumed lives of the assets on which the contribution is calculated are too low and that therefore the annual contribution is excessive. This was considered by the Railway Retrenchment Sub-Committee, who thought that it was probably desirable to have a special enquiry into the assumed lives of assets on railways on the basis of past experience, but were unable to recommend any arbitrary variation, apart from such an enquiry which they suggested should be left to experts. They drew attention to the fact that the contributions do not take into account obsolescence and that they aimed at providing at the end of the assumed lives only the original value of the asset and not the actual cost of replacement. I am not sure that we have at present enough data at our disposal to arrive at an authoritative conclusion on this question, though comparative figures, which I have seen in respect of one of the largest English railways, do not appear *prima facie* to support the suggestion that the lives assumed for the various classes of assets of Indian railways are unduly low.

On the other hand, it is possible to argue that the Depreciation Fund is really a Reserve Fund under another name, that, whatever may be the amount required theoretically to be put by, such considerations can apply only to normal times, and that it is doubtful whether a commercial concern in similar circumstances would provide, as a matter of course, for the full calculated depreciation in times of abnormal financial strain like the present. As I have already pointed out, our deficits for the two years 1932-33 and 1933-34 amounting to 17 crores are counterbalanced by allotments to the depreciation reserve fund, in addition to actual requirements, to the extent of 16 crores. If we take com-

mercial lines alone, the position is that the additional allotments amount to 15½ crores against our deficits of slightly over 13 crores. This is obviously a question which calls for careful examination.

Apart altogether from these financial considerations, it has been pointed out that the present procedure in connection with the Depreciation Fund is far too complicated and can, with advantage, be replaced by a simpler method. The Auditor-General has recently drawn attention to this in his comments on the Appropriation Report of Railways where he says :—

> " It has also been suggested to me that it is questionable whether the maintenance of elaborate accounts in the present form really serves any essential purpose and that it would be more economical and might be as effective to maintain a general renewals fund built up by percentage contributions on the capital at charge."

All these questions deserve careful and detailed examination, and it is our intention, to have the whole of the arrangements connected with the Depreciation Fund investigated thoroughly during the coming year. In this connection, we have also to consider the point raised by the Public Accounts Committee this year, that it is desirable to have an early settlement of the permanent basis on which works expenditure should be charged to capital, to the Depreciation Fund, and to revenue. It is obviously desirable that the question of withdrawals from the Depreciation Fund should be considered along with the method of contributions to it. I have thought it desirable to refer to this matter at some length because of its intimate bearing on our financial position, but I cannot of course express any, even tentative,

views in advance of the full examination that we propose to institute.

10. We have applied the decision arrived at in regard to cuts in the pay of the Administrative Services to the personnel of the Railways. During the coming year, therefore, Railway Staff will be subjected to half the cut imposed on them during the current year, but this will be accompanied by the withdrawal of income and super-tax privileges. The financial result will be a reduction in the savings in the coming year from about 176 lakhs net, after allowing for payments of compensation to the Income Tax Department, to 103 lakhs, while the combination of half the existing cut. with the loss of the income-tax privileges will in effect secure, speaking generally, a graduated scale of salary deductions. It may be the subject of some criticism that we should have thought of giving any relief to Railway employes while our budget still showed a deficit judged according to present accounting methods and arrangements. The reply is that the maintenance of the existing deductions, in the case of Railway servants, while half the cut was remitted in the case of the General Administrative Services, would have resulted in such markedly differential treatment as could hardly have been justified by the anticipated financial results for the coming year. Railway servants of the lowest grades, in consequence of their service in a commercial department, have hitherto been called upon to submit to deductions from which comparable categories in the general services were exempted. They must still unfortunately continue to bear a burden, though a lightened burden, in view of economic conditions, but the arrangements proposed for the current year will shift, to some extent, the general incidence of that burden. This partial relief to Railway employes must not be construed as indicative of any slackening in our efforts after economy.

11. Honourable Members are already cognisant of the fact that Mr. Pope, who has had special experience of this sort of work on the London, Midland and Scottish Railway, is conducting an examination of the possibilities of securing further economies on our Railways. The subject of his special examination is the Great Indian Peninsula Railway, and with him are associated officers from other Railways, so that the methods adopted and the lines followed in this particular investigation may be applied to other Railways. His review will, it is hoped, be ready very shortly, and if, as a result, arrangements promising immediate economies and capable of immediate adoption are possible, no time will be allowed to elapse before we adopt them. In any case, we expect that the most fruitful lines of further enquiry will be indicated, and these will be pursued in the coming months. In this way, we hope to achieve a twofold object, firstly, the discovery of further means of economy, and secondly, the preparation, on uniform lines for all the railways, of a body of accurate figures and information as to the costs of various services and as to the methods of working, which will not only enable us to check up and compare the economy efforts made on the different systems throughout India, but will also provide the data on which the expert Committee, which we still hope to get out next winter, will be able to work.

12. We have unfortunately sustained serious losses in personnel during the year. It is with deep regret that I have to refer to the loss the Railway Rates Advisory Committee has sustained in the death of its Chairman, Sir Narasimha Sarma, and I would like to add a personal tribute of regard and respect to the memory of one who was once my official chief. The Railway Board has also recently lost, through

retirement, its senior Member, Mr. Hayman who will long be remembered for his untiring energy and extraordinary capacity for work. In conclusion, I would wish to acknowledge the loyalty and assistance I have received from all those connected with the administration of the railways with whom I have had to work. Nor must I, in this acknowledgment, forget those on whom rests the immediate responsibility for the day to day running of the great machine who have had a specially difficult burden to bear.

Rules and Regulations for the Measurement for Tonnage of cotton and other goods in bales or packages under the orders of the Bombay Chamber of Commerce.

Adopted at a Special General Meeting of the Chamber, held on the 24th September 1924.

I Whereas it is expedient to collate and amend the Rules and Regulations for the measurement of goods.

II All such Rules and Regulations hitherto in force are hereby rescinded and the following are substituted therefor with effect from the 1st April 1901.

III. In the following Rules and Regulations and in any Orders that may from time to time be issued by the General Committee of the Chamber of Commerce under Rule XVII.—

(*a*) Measurer shall mean a measurer appointed by the Committee of the Chamber of Commerce for the purposes of these rules.

(*b*) Measurement shall mean measurement by such measurer.

(*c*) Shipper shall mean the person shipping the goods of his representative.

(*d*) Quay shall mean a place in the Docks or at one of the Bunders recognized for the regular shipment of goods.

(*e*) Vessel shall mean a vessel propelled by sail or steam and not being used for the conveyance of goods from the Quay to another vessel in the Port of Bombay.

(*f*) Boat shall mean a vessel, lighter or craft used for the conveyance of goods from the Quay to a vessel in the Port of Bombay.

(*g*) Package shall mean a bale, case, barrel, cask, bag or other receptacle subject to measurement.

(*h*) Consignment shall mean the whole quantity of one commodity subject to measurement to be shipped by one shipper in one vessel.

(*i*) Lot shall mean a package or number of packages forming part of a consignment and presented by one shipper at one time for measurement.

IV. Public Measurers shall be appointed under the authority of the Chamber of Commerce and stationed at the different quays to measure packages.

V. Fees, the amount of which shall from time to time be fixed under the Orders of the General Committee of the Chamber of Commerce, shall be levied in accordance with such Orders on all goods presented for measurement.

VI. No measurement shall be held good except such as are taken by a Measurer and with instruments bearing the stamp of the Chamber of Commerce.

VII. Such instruments shall be supplied and issued to the Measurer by the Chamber of Commerce.

VIII. All instruments shall be submitted to the Secretary of the Chamber of Commerce at intervals to be prescribed by the Committee and a register of such inspections shall be kept.

IX. Measurers shall be responsible for the good order of their instruments and for the prompt return to the Secretary of the Chamber of such as are defective or doubtful.

X. The Chamber's stamp borne by instruments that are found by the Secretary to be defective shall be by him defaced.

XI. Instruments on which the Chamber's stamp has been defaced may be re-stamped under the directions of the Secretary when they are in good order.

XII. Certificates of measurements shall be issued to shippers and/or to Ship Agents in such form and in such manner as the Committee for the time being shall from time to time provide.

XIII. Provided always that the Measurer may withhold or recall such certificate on his having reasonable cause to believe that an irregularity in the matter of shipment has been or is being committed in respect of the goods to which such certificate relates.

XIV. The goods measured shall be alongside the vessel within thirty-six hours after measurement, weather permitting, or the certificate shall be void and the packages shall be remeasured on board, written notice being given by the owner, agent or master of the ship to the Shipper and to the Measurer respectively.

XV. Shippers shall as far as possible see that their goods are so arranged for measurement as not to retard the work of the Measurers.

XVI. The salaries of the Measurers and all other expense connected with this system of measurement shall be paid by the Chamber of Commerce from the Fee Fund raised under these Rules.

XVII. The Committee of the Chamber of Commerce are hereby authorized to appoint and maintain such staff of Measurers and Assistants, to fix and to pay such salaries to that staff, to fix and to collect such fees, to issue from

time to time to modify such orders, and to do all other such acts and things as may in their opinion be necessary for the proper and economical working of the system in conformity with the general principles herein laid down.

Orders for the Conduct of Measurement of Goods for Tonnage by public Measurers in the Port of Bombay.

(Issued by the Committee of the Bombay Chamber of Commerce in pursuance of Section XVII of the Rules and Regulations adopted at a Special General Meeting of the Chamber held on the 24th September 1924.)

(1) All Orders hitherto in force for the governance of Measurers are hereby rescinded and the following are instituted with effect from the 1st April 1901.

(2) The Measurers shall be in attendance on the Quays to which they are appointed whenever there are goods to be measured. During the busy season Measurers are expected to be on duty early and late.

(3) All Measurement Fees shall be paid to the Measurement Fee Clerk, and no goods shall be measured without the production of the Custom House Pass bearing the endorsement of the said clerk to the effect that the fees have been paid.

(4) The certificates of measurement issued in conformity with Rule XII shall show—

(*a*) the date, hour and place of measurement;
(*b*) the name of the shipper;
(*c*) the name of the vessel;
(*d*) the port of destination;
(*e*) the number and description of packages;
(*f*) the marks;
(*g*) the measurement;

and in the case of goods shipped by boats—

(*h*) the registered number of the boat;
(*i*) the name of the tindal.

The certificates of measurement shall be issued by the Measurers and shall in every case be signed by the Measurer who measured the goods. One copy only of each certificate shall be issued, and such single copy shall be handed to the shipper.

(5) The whole of the packages forming a consignment of not more than thirty-two packages must be deposited on the Quay before measurement is taken.

(6) Consignments of more than thirty-two packages may be presented for measurement in loss of not less than thirty-two packages provided always that each lot, as soon as it is measured, is loaded into boats or shipped and that no unmeasured lot is mixed with a measured lot. Provided also that a final lot of less than thirty-two packages, being the complement of a consignment of more than thirty-two packages, may be measured separately.

(7) Shippers failing to have each lot as soon as measured loaded into boats or shipped; or shippers mixing unmeasured goods with measured goods or permitting them to be mixed; or shippers retarding the work of the Department by failing to move with reasonable promptitude the bales required by the Measurer to be moved for the proper performance of his duties; or shippers attempting to elude these regulations, any such persons or their representatives may be required by the Measurer to deposit on the Quay the whole complement of their consignment before measurement is taken. In all cases when such requisition is made, the Measurer making it shall briefly report in writing to the Secretary the name of the shipper against whom the goods in respect of which and the reason for which, it has been made.

(8) A Measurer withholding or recalling a certificate under Section XIII of the Rules and Regulations adopted on the

6th March 1901 shall likewise briefly report to the Secretary in writing.

(9) No goods shall be measured otherwise than on a Quay excepting under the special conditions contemplated under Rule XIV and Order 22.

(10) Each and every package in a lot of packages not of uniform dimensions shall be measured individually. This Rule shall not apply to lots of pressed bales from various presses if the shipper arrange such diverse bales according to their respective dimensions separately on the Quay.

(11) In regard to packages of uniform dimensions the Measurer shall use his judgment as to the proportion of such goods he should measure; but such proportion shall in no case be less than five per centum of each lot. Care must be taken by the Measurers that they are not induced to measure packages that do not fairly represent the average.

(12) In no case shall a shipper's man or men be allowed to put the callipers on a package. A peon of the Chamber holding the callipers may, when standing exactly in front, pull them tight with his hands but not when standing on one side, nor shall he ever be allowed to pull the callipers towards his chest or side or to put his shoulder to them.

(13) In measurement for length, care must be taken that the legs of the callipers touch the ground and that bales when being measured lie in the same position as when in the press. Measurement of bales for depth and breadth shall be taken on the ends half the number of bales being measured on the marked end and half on the other end.

(14) Measurers when measuring pressed bales shall ascertain whether all are from one press or not, and under orders (10) and (11) of these orders shall further ascertain

how many bales there are from each press and shall give measurement accordingly and show on the certificate the number of bales to which each measurement relates.

(15) In cases where the shipper shall hand to the measurer a letter from the owner, agent or master of the vessel authorising the Measurer to accept for measurement and calculation of average such packages as the said shipper may reserve for such measurement, the Measurer shall measure the packages so reserved and give a certificate on the basis of their measurement, provided that such packages represent not less than five per centum of the entire consignment.

(16) The scale of measurement fees leviable under Rules V and XVII shall be as follows :—

(*a*) On Cotton, Wool, Hemp, Aloe Fibre Twist (white and coloured), Rags, and waste in pressed bales .. ..pies 6 per bale.

(*b*) On Round Timber or Logs, each ..annas 8.

(*c*) On Gunny bales from Calcutta, Hides and Skins, Piece-goods, and all goods not included under (*a*) & (*b*) packages of divers dimensions .. .. ..annas 2 per package.

Subject to a rebate of anna one per package on the Measurers certifying that the lot measured consisted of not less than 50 packages all of uniform dimensions.

(*d*) On goods of any description measured on board a vessel .. ..annas 2 per package.

(*e*) When the work of the Department admits of such an arrangement, the exclusive services of a Measurer for a

day may be secured on payment to the Secretary of a fee of Rs. 10.

(*f*) The attendance of a Measurer on a Sunday or one of the Charter-Party Holidays when the Docks are closed may be secured on application to the Secretary, accompanied by the sum of Rs. 15 which shall be paid by him to the Measurer appointed by him to attend. The fee of Rs. 15 shall cover the services of one Measurer for one ship. If two Measurers are applied for two fees of Rs. 15 must be paid at time of application. If a Measurer is required to work on more than one steamer a separate fee of Rs. 15 must be paid in respect of each steamer.

(*g*) The attendance of a Measurer for night duty may be secured in the same manner as above.

(17) All disputes as to the applicability of Order 16 (*d*) under Rule XIV shall be referred to the Weather Working Days Committee of the Chamber and the decision of that Committee shall be final. With respect to Order 16 (*d*) a refund of pies 6 per package will be made on declaration of the said Committee, remitted on the invitation of the claimant that the state of the weather during the thirty-six hours of grace allowed had been such as to justify the shipper's delay in bringing the goods alongside.

(18) Refund of measurement fees in full shall be made in respect of a consignment or portion of a consignment shut out after measurement.

(19) In respect of Round Timber and Logs, the measurement to be certified, in accordance with Order 4 (*g*), shall be as follows :—

Length in feet and inches : As found with tape.

Breadth : The mean of two measurements taken with callipers at thickest and thinnest portions.

Depth : ditto ditto ditto.

The certificate shall also show under Order 4 (*a*) not only the time at which the work of measurement was commenced, but the time at which it was completed. On application to the Secretary supported by evidence of time as here provided refund will be made of the difference between the fee as prescribed under Order (16) (*b*), and a charge of Rupees Two for every hour or part of an hour actually occupied in measurement.

(20) Refund of Measurement Fees shall not be made for any sum less that three Rupees.

(21) All claims for Refund of Measurement Fees shall be made to the Secretary of the Chamber of Commerce, who shall allow or disallow such claims in conformity with these Orders, but no claim for Refund of Measurement Fees shall be allowed unless presented within one month from the date of the sailing of the vessel concerned.

(22) Each Measurer shall keep a Dispute Book and it shall be competent for any shipper or the owner, agents or master of a vessel who disputes the correctness of a measurement given in respect of goods being shipped by him to call for the said Dispute Book, which the Measurer shall produce at once, and to enter therein a claim to have the goods in question or any portion of them remeasured. And on the said shipper or the owner, agent or master of a vessel depositing with the Measurer the sum of annas 2 for each packet to be measured, the Measurer shall at once remeasure such

package or packages in such a manner that the shipper or the owner, agent or master of a vessel can see whether the measurement is correctly taken and shall give to the shipper or the owner, agent, or master of a vessel a certificate of the measurement so found and write thereon the word " Protested Certificate. Fee paid Rs..... " and the sum so paid. The Measurer shall immediately thereafter forward to the Secretary a statement of the case together with the amount of the Fee received.

Provided that on any of the stations where more than one measurer is employed, the Measurer whose measurements are disputed shall, immediately after receiving the protest and fee, call another Measurer who shall make the remeasurement in the manner above laid down, shall issue the " Protested Certificate " and forward the necessary statement to the Secretary.

(23) Should a shipper demand remeasurement under Order 22 and should such remeasurement, in the opinion of the Secretary, show the original measurement not to have been substantially correct, the extra fee of annas 2 per package shall be refunded to the shipper on demand and the case reported to the Committee.

(24) Every Measurer shall receive a book of Measurement Slips together with indelible pencil and carbon paper for making such slip in quadruplicate. The Measurer will hand to the shippers at the time of measurement the original and third carbon copy ; the first carbon copy will be handed to the ship agent's representative on demand and the second carbon copy will be retained for the Chamber's records.

Provided that when goods are shipped in boats for delivery alongside the said first carbon copy, belonging to the ship's agent, shall be handed to the boatman from whom it should be obtained by the ship's officers.

COAL.

Imports of Coal into Bombay by Sea and Rail.

The following return of the imports of Coal into Bombay by Sea and Rail in the years 1926 to 1932 is printed for the information of members:—

From	1926.	1927.	1928.	1929.	1930.	1931.	1932.
By Sea.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
Europe	4,970	33,474	21,685	15,381	14,153	16,822	11,758
Australia	7,033	7,421	4,970	784	1,190	3,190	2,000
Japan	7,432	5,526	..	508	400	..	..
Africa	122,423	145,558	118,987	135,790	145,095	10,299	..
Other Foreign Countries	133	320	109	1,057	..	..	..
Calcutta	325,333	355,744	268,780	383,746	240,707	437,309	461,834
Total—By Sea .	467,324	548,043	414,531	537,766	401,545	467,620	475,592
Total—By Rail ..	101,985	123,965	66,790	52,838	46,731	43,383	26,136
Grand Total ..	569,309	672,008	481,321	590,604	448,276	511,003	501,728

WHEAT.

The total area reported for the season 1931-32 was 33,749,000 acres as against 32,189,000 acres the previous year, or an increase of 1,560,000 acres or 5 per cent. The total yield of the crop was estimated at 9,026,000 tons as compared with 9,305,000 tons the previous year or a decrease of 279,000 tons or 3 per cent.

The following figures show the total Acreage and Outturn of Wheat in each official year from 1891-92 to 1931-32 :—

Years.	Area (in thousand Acres.)	Outturn (in thousand Tons.)
1891-92	27,033	6,094
1892-93	27,759	7,649
1893-94	28,717	7,269
1894-95	28,422	6,999
1895-96	24,071	5,380
1896-97	20,580	5,363
1897-98	24,538	7,208
1898-99	25,370	6,838
1899-1900	18,688	5,357
1900-01	23,868	7,094
1901-02	23,446	6,091
1902-03	23,433	7,971
1903-04	28,413	9,641
1904-05	28,470	7,582
1905-06	26,296	8,579
1906-07	28,536	8,159
1907-08	22,806	6,104
1908-09	26,068	7,598
1909-10	28,018	9,591
1910-11	30,490	10,041
1911-12	31,141	9,925
1912-13	29,524	9,715
1913-14	28,475	8,358
1914-15	32,475	10,091
1915-16	30,320	8,652
1916-17	32,940	10,234
1917-18	35,487	9,922
1918-19	23,798	7,508
1919-20	29,949	10,122
1920-21	25,783	6,706
1921-22	28,207	9,830
1922-23	30,844	9,982
1923-24	31,181	9,660
1924-25	31,774	8,866
1925-26	30,471	8,696
1926-27	31,303	8,973
1927-28	32,193	7,791
1928-29	31,973	8,591
1929-30	31,654	10,469
1930-31	32,189	9,305
1931-32*	33,749	9,026

* Subject to revision.

Estimate of the Wheat Crop of the Season 1931-32. Share of each Province and State of Area and yield for 1930-31 and 1931-32. (000's omitted.)

Provinces and States.	Area.			Yield.			Increase or Decrease in the Current Year over.				Yield per Acre.	
							Area.		Yield.			
	Current Year 1931-32	Previous Year 1930-31	Average of preceding 5 Years.	Current Year 1931-32.	Previous Year 1930-31	Average of preceding 5 Years.	Previous Year 1930-31.	Average of preceding 5 Years.	Previous Year 1930-31.	Average of preceding 5 Years.	1931-32.	1930-31.
	Acres.	Acres.	Acres.	Tons.	Tons.	Tons.	Per cent.	Per cent.	Per cent.	Per cent.	lbs.	lbs.
British Provinces.												
Punjab	9,080	9,287	9,561	2,760	3,122	3,015	— 2·2	— 5·0	—11·6	— 8·5	681	753
United Provinces	7,748	7,612	7,072	2,610	2,686	2,586	+ 1·8	+ 9·6	— 2·8	+ 0·9	755	790
Central Provinces and Berar	3,499	3,098	3,418	671	635	670	+12·9	+ ·4	+ 5·7	+ 0·1	429	459
Bombay	2,314	2,285	1,869	444	441	367	+ 1·3	+23·8	+ 0·7	+ 21·0	429	432
Bihar and Orissa	1,221	1,213	1,202	469	454	475	+ 0·7	+ 1·6	+ 3·3	— 1·3	860	838
North-West Frontier Province	1,014	890	1,038	246	216	240	+13·9	— 2·3	+13·9	+ 2·5	543	544
Bengal	145	143	123	34	34	29	+ 1·4	+17·9	..	+ 17·2	525	533
Delhi	41	38	47	9	10	15	+ 7·9	—12·8	—10·1	— 40·0	492	580
Ajmer-Merwara	31	24	29	9	6	7	+29·2	+ 6·9	+50·0	+ 28·6	650	560
Total British Provinces.	25,093	24,590	24,359	7,252	7,604	7,404	+ 2·0	+ 3·0	— 4·6	— 2·1	647	692
Indian States.												
Punjab States	1,312	1,354	1,285	392	438	425	— 3·1	+ 2·1	—10·5	— 7·8	660	724
United Provinces State (Rampur)	115	119	113	23	40	27	— 3·4	+ 1·8	—42·5	— 14·8	448	753
Central Provinces States	115	(a) 31	116	19	(a) 6	25	..	— 0·9	..	— 24·0	370	433
Bombay States	522	530	411	148	146	122	— 1·5	+27·0	+ 1·4	+ 21·3	635	617
Central India States	2,150	1,944	1,893	349	326	318	+10·6	+13·6	+ 7·1	+ 9·7	364	376
Gwalior State	1,492	1,127	1,189	297	272	218	+32·4	+25·5	+ 9·2	+ 36·2	446	541
Rajputana States	1,508	1,243	1,047	363	320	242	+21·3	+44·0	+13·4	+ 50·0	539	577
Hyderabad State	1,367	1,173	993	161	135	94	+16·5	+37·0	+19·3	+ 71·3	264	258
Baroda State	72	74	71	21	17	17	— 2·7	+ 1·4	+23·5	+ 23·5	653	515
Mysore State	3	4	3	1	1	1	—25·0	..	..	..	361	363
Total Indian States	8,656	7,599	7,126	1,774	1,701	1,489	+13·9	+21·5	+ 4·3	+ 19·1	459	501
Grand Total	33,749	32,189	31,485	9,026	9,305	8,893	+ 4·8	+ 7·2	— 3·0	+ 1·5	599	618

(a) About 500 tons.

The fluctuations in the total Exports of Wheat from India to Foreign Countries during the last 51 years are shown below :—

(1881-82 to 1931-32).

Years.	Tons.	Rs.	Years.	Tons.	Rs.
1881-82	995,050	8,62,00,618	1906-07	801,445	7,25,44,650
1882-83	709,688	6,08,88,136	1907-08	880,459	8,58,50,350
1883-84	1,050,070	8,89,58,112	1908-09	109,757	1,34,00,777
1884-85	792,494	6,31,60,182	1909-10	1,050,574	12,70,90,884
1885-86	1,053,446	8,00,53,311	1910-11	1,266,150	12,95,82,291
1886-87	1,113,181	8,62,59,856	1911-12	1,361,166	13,34,84,580
1887-88	676,908	5,56,23,733	1912-13	1,660,163	17,69,37,226
1888-89	880,570	7,52,32,794	1913-14	1,202,205	13,13,33,561
1889-90	690,110	5,79,26,147	1914-15	706,383	8,32,04,161
1890-91	716,024	6,04,24,260	1915-16	652,879	8,44,06,594
1891-92	1,515,335	14,38,20,022	1916-17	748,913	9,15,34,812
1892-93	748,672	7,44,03,835	1917-18	1,454,374	19,00,27,665
1893-94	607,842	5,19,39,850	1918-19	476,103	6,75,30,929
1894-95	344,506	2,56,62,468	1919-20	8,642	20,36,604
1895-96	500,208	3,91,43,765	1920-21	237,665	4,10,03,185
1896-97	95,531	83,64,498	1921-22	80,809	1,46,82,887
1897-98	119,630	1,34,11,515	1922-23	220,194	3,44,02,127
1898-99	976,024	9,71,96,877	1923-24	636,352	9,11,80,928
1899-1900	485,204	3,90,94,963	1924-25	1,111,691	17,19,49,952
1900-01	2,501	3,00,832	1925-26	211,637	3,60,24,737
1901-02	366,090	3,25,59,204	1926-27	175,949	2,71,07,422
1902-03	514,607	4,51,53,570	1927-28	299,733	4,40,57,408
1903-04	1,295,565	11,08,89,546	1928-29	114,707	1,69,23,702
1904-05	2,150,025	17,90,60,692	1929-30	12,971	21,24,473
1905-06	939,526	8,53,43,996	1930-31	1,96,505	1,94,87,643
			1931-32	20,215	15,12,460

COTTON 1931-32.

The preliminary Government forecast issued in August 1931 and relating to 77 per cent. of the total area indicated an acreage of 13,926,000 acres as compared with 14,878,000 acres (revised) at the corresponding period in 1930 or a decrease of 6 per cent.

The final estimate issued in a supplementary memorandum at the end of April 1932 for the whole of India was 23,522,000 acres as compared with 23,812,000 acres (revised) for the previous year or a slight decrease.

Government estimated the final yield at 4,064,000 bales against 5,224,000 bales (revised) for the season 1930-31. Compared with private estimates this was out by about ¾ million bales, the conventional figure put down for domestic consumption.

The monsoon commenced late and sowing in the Oomra districts could only be completed in July. As the plants were coming up they met with prolonged periods of excessive wet weather which played havoc with the crop, chiefly in the Oomra districts The final Oomra outturn was a little over 10 lakhs of bales against 25 lakhs produced in 1930-31 and 28 lakhs in 1929-30. The Bengal crop too suffered through excessive wet weather but to a lesser extent.

The following figures show the movement of Cotton through Bombay during the season 1931-32 :—

	Bales.
Stocks on 1st September 1931 including mill stocks as estimated by the East India Cotton Association, Ltd.	684,901
Arrivals during the year ending 31st August 1932 (actual bales)..	1,984,985
	2,669,886

Exports during the year ending 31st August 1932 :—

	Bales.
By Sea—	
United Kingdom	25,053
Continent	127,988
America	25
China	209,936
Japan	552,508
Other Foreign Countries & Coast Ports.	38,315
Total, by Sea ..	953,825
By Rail to Up-country	158,235
	1,112,060
Bombay Mill Consumption	920,730
	2,032,790
* Estimated carry over on 31st August 1932	637,096
Total ..	2,669,886

Exports by Sea to Foreign Countries in 1931-32 as compared with 1930-31 were as follows :—

	1931-32.	1930-31.	Difference.
Europe ..	153,041 bales.	596,457 bales.	—74 per cent.
Japan ..	552,508 „	1,434,134 „	—61 „
China ..	209,936 „	469,023 „	—55 „
America ..	25 „	2,562 „	—99 „

* The East India Cotton Association, Ltd., estimated the stocks on 31st August 1932 at 697,885 bales.

Although according to the Government estimate the reduction in yield as compared with the previous season is only 1,160,000 bales there was an actual shortage of nearly 2 million bales, Government having considerably underestimated the 1930-31 crop.

It was a most unfortunate freak of nature that the failure of the cotton crop in India coincided with a cheaply raised bumper crop in America. The result of this unbalanced supply position was that whilst prices in America dropped to very low levels, here in India they soared so high as to divorce themselves entirely from all international cotton values. In fact Indian cotton became so dear on parity with other outside growths that the world's cotton consuming centres went in for American cotton to an unusually large extent at the expense of Indian varieties. Foreign demand for Indian cotton restricted itself to bare necessities, be this for specialities or the upkeeping of old established mixtures.

In anticipation of a moderate sized crop, a good deal of cotton was sold for export for Dec./Jan. shipment. But owing to the failure and lateness of the crop, arrivals up-country were so very insignificant even at the end of December and prices so high that it was simply impossible for exporters to buy cotton and fulfil their Dec./Jan. engagements. Considerable quantities of these sales had therefore to be bought back by cancelling the contracts.

From the cotton growers point of view this was an even more disastrous season as the potential loss of 2 million bales cotton meant a loss of some crores of rupees at a time when the Indian ryot was in the grips of an acute financial stringency.

The following table gives details of arrivals into Bombay by Sea and Rail during the season with the total of the five previous years. (Actual weight converted into Bales of 3½ cwts. in each, after allowing 2 per cent. for tare in the case of receipts by rail.) Season ending 31st August in each case :—

Varieties.	1931-32.	1930-31.	1929-30.	1928-29.	1927-28.	1926-27.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.
Khandesh	121,806	324,940	294,922	365,837	307,249	315,441
Central India	118,798	339,182	411,394	392,022	299,680	318,827
Barsi Nugger	80,711	169,346	262,001	263,289	319,242	204,894
Hyderabad Gaorani	22,434	85,728	93,161	85,586	118,517	69,698
Berar	250,475	593,289	731,747	792,419	730,789	578,454
Central Provinces	75,094	373,926	406,227	393,745	310,327	233,578
Dhollera	250,430	281,614	198,899	249,115	384,608	215,377
North-West Provinces	26,970	93,552	140,446	62,338	65,213	59,570
Rajputana	56,570	53,365	58,599	51,886	56,155	66,045
Sind Punjab	140,672	124,112	153,145	135,491	137,416	110,098
Broach	260,317	303,695	287,060	196,453	269,272	241,163
Compta Dharwars	86,693	98,274	160,648	137,799	145,150	142,453
Westerns Northerns	48,586	49,378	71,241	67,321	53,777	75,183
Cocanada	10	24	103	6	7	495
Tinnevelly and Cambodia	16,851	42,670	46,250	40,357	37,082	50,161
Persians	2,951	1,438	704	1,774	5,770	5,719
Americans	280,808	140,296	15,889	11,719	102,910	379,120
Egyptians	121,032	148,947	12,387	1,636	2,199	3,462
Africans, East	133,162	179,473	134,533	107,747	78,119	85,988
Comilla, Burmah and other Sorts	† 322	* 702	858	47	275	916
Total ..	2,094,692	3,403,951	3,480,214	3,356,587	3,423,757	3,165,649

* Including 178 Bales of Russian Cotton. † Including 111 Bales of Russian Cotton.

The following table gives the Actual Clearances of Cotton from Bombay to different Countries during the years ending 31st August from 1926-27 to 1931-32 :—

To.	1931-32.	1930-31.	1929-30.	1928-29.	1927-28.	1926-27.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.
United Kingdom	25,053	82,741	87,255	68,430	91,409	27,750
France	21,202	120,833	183,175	167,013	149,682	65,402
Belgium	32,957	91,598	205,175	260,037	210,096	91,504
Holland	5,641	16,268	27,958	19,477	12,811	6,110
Norway	....	55	....	....	....	....
Sweden	....	330	1,155	605	330	605
Denmark	27	220	382	75	165	27
Germany	* 21,692	101,380	167,324	128,507	103,849	72,046
Portugal	45	85	625	218	55	4
Spain	15,355	35,667	66,576	38,087	32,139	21,687
Italy	30,237	143,222	205,339	222,296	197,394	132,601
Fiume	782	1,928	444	56	168	220
Greece	50	2,130	919	240	200	236
Bulgaria	....	....	....	5	....	....
Canada	....	....	....	25	....	....
United States of America	25	2,392	37,189	40,806	5,250	726
British Columbia	....	....	....	....	25	....
Chili	....	170	110	....	....	....
China	209,936	469,023	467,351	340,157	269,950	207,502
Japan	552,508	1,434,134	1,179,964	1,455,567	1,120,753	1,331,317
Other Foreign Countries	3,180	1,522	1,382	3,879	4,526	5,408
Indian Ports—Calcutta, etc.	35,135	25,809	24,202	16,575	24,238	21,484
Total ..	953,825	2,529,507	2,656,525	2,762,955	2,223,040	1,984,629

* Including 1,600 Bales for Germany or Belgium for orders.

Comparative statement showing the Actual Clearances of Cotton from Bombay by Sea to different Ports during the years 1931 *and* 1932.

To	1932. Six months ending 30th June.	1932. Six months ending 31st Dec.	1932. Total for 12 months.	1931. Six months ending 30th June.	1931. Six months ending 31st Dec.	1931. Total for 12 months.	Increase or Decrease.	Per-centage.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	
London	....	....	....	3	4	7	— 7	....
Liverpool	4,437	6,886	11,323	21,370	4,530	25,900	— 14,577	56.28
Manchester	6,656	7,813	14,469	37,310	7,039	44,349	— 29,880	67·37
Marseilles	545	872	1,417	3,225	1,349	4,574	— 3,157	69·02
Havre	358	2,454	2,812	13,046	2,456	15,502	— 12,690	81·86
Havre or Dunkirk—for orders.	....	800	800	....	....	....	+ 800	....
Dunkirk	9,644	30,753	40,397	76,929	4,160	81,089	— 40,692	50.18
Antwerp	6,693	12,427	19,120	26,826	6,938	33,764	— 14,644	43·37
Antwerp or Liverpool	....	160	160	....	....	....	+ 160	....
Antwerp, Hamburg, Bremen, Rotterdam—for orders.	457	2,016	2,473	....	956	956	+ 1,517	158.68
Ghent	9,034	14,948	23,982	38,260	15,976	54,236	— 30,254	55.78
Rotterdam	1,040	3,955	4,995	9,327	6,176	15,503	— 10,508	67.78
Copenhagen	27	....	27	55	....	55	— 28	50·90
Bergen	....	....	....	55	....	55	— 55	....
Gothenburg	....	110	110	55	110	165	— 55	33·33
Hamburg	3,952	10,584	14,536	49,074	14,353	63,427	— 48,891	77.08
Bremen	2,556	2,663	5,219	12,896	3,772	16,668	— 11,449	68.68

Comparative statement showing the Actual Clearances of Cotton from Bombay by Sea to different Ports —contd.

To	1932. Six months ending 30th June.	1932. Six months ending 31st Dec.	1932. Total for 12 months.	1931. Six months ending 30th June.	1931. Six months ending 31st Dec.	1931. Total for 12 months.	Increase or Decrease.	Per-centage.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	
Weserhafen	125	....	125	....	....	....	+ 125	.....
Pasages	1,150	1,395	2,545	1,650	1,000	2,650	— 105	3·96
Barcelona	4,999	8,187	13,186	18,980	8,646	27,626	— 14,440	52·26
Santander	40	....	40	....	25	25	+ 15	60·00
Tarragona	....	325	325	.....	....	.....	+ 325	....
Oporto	45	....	45	....	....	....	+ 45	....
Fiume	165	236	401	1,045	1,388	2,433	— 2,032	83·51
Trieste	735	8,582	9,317	25,605	9,417	35,022	— 25,705	73·39
Genoa	2,283	10,671	12,954	27,655	13,076	40,731	— 27,777	68·19
Genoa or Naples ..	....	55	55	....	110	110	— 55	50·00
Leghorn	110	....	110	250	110	360	— 250	69·44
Venice	3,308	8,188	11,496	16,817	9,679	26,496	— 15,000	56·61
Venice or Trieste ..	....	....	....	825	....	825	— 825	....
Naples	....	220	220	3,685	880	4,565	— 4,345	95·18
Mestre	....	1,190	1,190	....	....	....	+ 1,190	....
Salonica	....	75	75	350	....	350	— 275	78·57
Patras	....	....	....	110	....	110	— 110	....
Piraeus	....	1,497	1,497	1,035	320	1,355	+ 142	10·47

Volos	50	....	50	....	....	....	+	50	....
Chalkis	....	....	....	50	....	50	—	50	....
San Francisco ..	....	....	....	5	25	30	—	30	....
Baltimore	.....	....	....	1,300	....	1,300	—	1,300	.....
New York	....	....	....	610	....	610	—	610	.....
Boston	....	....	....	302	100	402	—	402	.....
Valparaiso	....	....	....	102	34	136	—	136	....
Australian Ports ..	585	1,670	2,255	....	150	150	+	2,105	.....
Japanese Ports ..	309,312	291,980	601,292	802,504	396,043	1,198,547	—	597,255	49·83
Chinese Ports ..	88,380	13,290	101,670	228,061	211,506	439,567	—	337,897	76·87
Indo-China (Haiphong).	....	....	....	16,500	....	16,500	—	16,500	....
Colombo	1,131	274	1,405	790	786	1,576	—	171	10·85
Djibouti	....	....	....	2	4	6	—	6	....
Mauritius	....	....	....	2	7	9	—	9	....
Calcutta and Coast Ports	15,605	6,604	22,209	14,198	22,693	36,891	—	14,682	39·79
Total ..	473,422	450,880	924,302	1,450,864	743,818	2,194,682	Net Decrease		1,270,380 or 57·88 per cent.

COTTON.

RECEIPTS at, and Exports from, Bombay Port, also Mill Consumption in the Island of Bombay.

In thousands of Bales (000's omitted).

Year ending 30th June.	Receipts.	Exports to			Mill Consumption.	Total.	Year ending 30th June.	Receipts.	Exports to			Mill Consumption.	Total.
		Europe.	Elsewhere.	Total.					Europe.	Elsewhere.	Total.		
1864 ..	..	867	3	870	American War In '63 and 64 Bombay imported Cotton from China.		1888 ..	1,472	893	58	951	500	1,451
							1889 ..	1,851	1,286	46	1,332	565	1,897
							1890 ..	2,235	1,488	71	1,559	636	2,195
1865 ..	..	1,065	1	1,066			1891 ..	2,020	1,070	107	1,177	762	1,939
1866 ..	..	1,187	14	1,201	42	1,243	1892 ..	1,770	905	202	1,107	728	1,835
1867 ..	..	1,277	5	1,282	46	1,328	1893 ..	1,738	816	169	985	724	1,709
1868 ..	..	1,030	48	1,078	47	1,125	1894 ..	1,769	908	159	1,067	731	1,798
1869 ..	..	1,225	56	1,281	48	1,329	1895 ..	1,540	525	143	668	815	1,483
1870 ..	..	1,115	50	1,165	49	1,214	1896 ..	2,151	800	346	1,146	849	1,995
1871 ..	..	967	39	1,006	50	1,056	1897 ..	1,012	603	405	1,008	703	1,711
1872 ..	1,085	1,002	48	1,050	52	1,102	1898 ..	1,730	424	409	833	817	1,650
1873 ..	1,151	1,079	34	1,113	53	1,166	1899 ..	2,033	578	520	1,098	951	2,049
1874 ..	978	917	34	951	67	1,018	1900 ..	988	117	444	561	745	1,306
1875 ..	1,311	1,192	25	1,217	83	1,300	1901 ..	1,896	620	340	960	696	1,656
1876 ..	1,345	1,285	20	1,305	135	1,440	1902 ..	2,142	525	732	1,257	987	2,244
1877 ..	1,073	980	35	1,015	147	1,162	1903 ..	2,454	921	349	1,270	986	2,256
1878 ..	1,141	920	38	958	161	1,119	1904 ..	2,151	1,036	423	1,459	973	2,432
1879 ..	961	800	46	846	204	1,050	1905 ..	2,609	384	664	1,048	1,072	2,120
1880 ..	832	652	64	716	181	897	1906 ..	2,663	1,017	477	1,494	1,141	2,635
1881 ..	1,171	874	34	908	220	1,128	1907 ..	2,949	1,169	747	1,916	1,115	3,031
1882 ..	1,832	1,521	87	1,608	277	1,885	1908 ..	2,123	731	454	1,185	1,079	2,264
1833 ..	1,770	1,335	95	1,430	313	1,743	1909 ..	2,106	643	723	1,366	1,099	2,465
1884 ..	1,759	1,295	100	1,395	348	1,743	1910 ..	3,152	1,054	968	2,022	984	3,006
1885 ..	1,139	791	70	861	392	1,253	1911 ..	2,967	1,014	668	1,682	953	2,635
1886 ..	1,480	1,009	61	1,070	391	1,461	1912 ..	2,540	383	923	1,306	1,078	2,384
1887 ..	1,703	1,147	40	1,187	454	1,641							

RECEIPTS at, and Exports from, Bombay Port, also Mill Consumption in the Island of Bombay.
In thousands of Bales (000's omitted).

Year ending 31st August.	Receipts.		Total Receipts.	Exports.			Total Exports.	Mill Consumption.	Total.
	India.	Foreign Countries.		Europe.	China and Japan.	Elsewhere.			
1913	2,733	46	2,779	534	1,023	30	1,587	* 1,072	2,659
1914	3,733	6	3,739	1,301	1,245	24	2,570	1,078	3,648
1915	2,683	5	2,688	405	1,441	15	1,861	1,026	2,887
1916	3,133	6	3,139	294	1,691	8	1,993	1,096	3,089
1917	3,103	17	3,120	302	1,321	7	1,630	1,131	2,765
1918	2,279	27	2,306	293	1,213	7	1,513	1,068	2,581
1919	2,525	18	2,543	195	885	11	1,091	1,000	2,091
1920	3,405	22	3,427	629	1,579	24	2,232	957	3,189
1921	2,786	116	2,902	494	1,381	26	1,901	1,061	2,962
1922	3,383	109	3,492	645	1,896	52	2,593	1,074	3,667
1923	3,611	61	3,672	851	2,086	53	2,990	1,060	4,050
1924	3,227	93	3,320	1,104	1,558	53	2,715	821	3,536
1925	3,573	95	3,668	713	2,021	33	2,767	995	3,762
1926	3,208	127	3,335	552	1,874	26	2,452	778	3,230
1927	2,692	474	3,166	419	1,539	27	1,985	995	2,980
1928	3,235	189	3,424	798	1,391	34	2,223	569	2,792
1929	3,233	123	3,356	906	1,796	61	2,763	631	3,394
1930	3,317	163	3,480	946	1,647	63	2,656	877	3,533
1931	2,933	470	3,403	599	1,903	27	2,529	839	3,368
1932	1,557	538	2,095	153	763	38	954	921	1,875

N.B.—As noted in the Chamber's Report for 1913, the figures shown above represent the volume of trade in cotton from 1st September to 31st August instead of for the year ending 30th June as was previously the case.

* Year ending 30th June.

RAINFALL AT BOMBAY, 1843 TO 1932.

The following statement showing the Rainfall registered at the Colaba Observatory, Bombay, for each month during the years 1843-1931, is published for the information of members:—

Year.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Annual Total.
1843	..	..	..	..	0·15	7·31	20·02	17·70	8·31	0·77	..	..	55·24
1844	0·06	0·33	..	..	..	18·58	29·28	5·91	8·07	0·40	..	0·10	62·71
1845	..	..	..	..	..	17·88	18·07	9·54	8·63	..	..	..	54·12
1846	..	..	..	..	..	26·41	33·19	6·65	6·65	1·03	..	..	73·93
1847	0·09	0·02	..	0·31	1·40	37·56	16·46	8·68	5·68	0·28	5·53	..	76·01
1848	..	..	..	..	0·59	5·67	39·98	13·90	7·37	2·32	5·84	0·19	..	75·86
1849	0·34	..	..	..	..	..	23·41	50·99	12·66	26·13	0·75	0·61	..	114·89
1850	..	..	..	..	..	..	14·80	20·15	5·39	4·77	4·89	0·25	..	50·25
1851	..	..	..	..	..	0 52	24·50	47·02	20·03	3·80	0·04	0·07	..	96·07
1852	..	..	0·01	..	..	0·30	21·76	22·17	11·16	12·67	0·19	..	1·01	69·27
1853	..	0·05	0·02	..	..	..	33·70	13·05	5·95	9·83	..	..	..	62·66
1854	..	..	..	..	..	..	16·34	38·95	3·90	13·61	7·49	1·85	..	82·14
1855	..	..	..	..	..	..	29·18	11·83	3·82	5·20	9·06	..	..	50·18
1856	..	..	..	..	..	2·09	24·66	24·48	6·73	7·78	0·06	..	0·12	65·92
1857	..	..	..	..	..	0·57	9·26	8·74	15·71	14·21	2·78	..	..	51·27
1858	..	..	..	..	0·15	1·57	14·44	20·12	7·48	15·47	3·22	..	..	62·45
1859	..	..	..	..	..	..	26·87	28·70	14·59	5·94	1·06	..	..	77·16
1860	..	..	..	..	..	0·03	21·97	22·39	7·11	8·15	2·50	..	..	62·15
1861	..	..	..	..	..	0·69	15·43	25·34	30·35	3·24	1·86	..	..	76·91
1862	..	..	..	..	..	0·01	22·31	15·10	12·65	21·69	1·42	0·45	..	73·63
1863	0·41	..	..	0·11	0·07	23·41	30·78	10·60	9·98	2·32	..	..	..	77·68
1864	..	..	..	..	..	0·01	15·42	13·36	10·72	5·59	..	0·47	..	45·57
1865	0·38	..	..	..	..	..	10·61	18·28	36·42	4·86	6·16	1·14	..	77·85
1866	..	0·11	..	..	..	..	13·47	40·34	20·34	3·44	0·74	..	..	78·44
1867	..	..	..	..	..	..	9·70	39·39	12·21	6·80	5·07	0·13	..	72·30
1868	..	..	0·01	..	..	..	13·52	20·43	20·29	7·71	0·14	0·02	..	62·12
1869	..	..	..	..	..	0·03	26·22	23·89	15·24	22·56	3·55	0·05	0·12	91·66
1870	..	..	0·03	0·02	..	..	21·73	26·43	6·27	7·08	4·65	..	..	66·21
1871	2·22	..	..	..	..	1·25	8·91	9·96	8·95	6·01	0·25	2·97	0·06	40·58
1872	..	..	..	..	..	0·06	24·43	24·84	9·49	16·69	1·07	..	..	76·48
1873	..	0·05	..	..	..	0·51	20·36	16·98	23·96	7·77	0·07	..	..	69·70
1874	..	..	..	..	..	0·05	18·68	41·24	11·14	11·05	0·02	..	..	82·18
1875	0·47	..	..	..	..	..	24·36	15·39	12·23	31·76	..	0·35	..	84·56
1876	..	..	..	..	..	0·01	12·97	23·69	8·66	4·68	..	..	..	50·01
1877	0·22	0·52	..	..	..	..	35·58	11·10	8·51	8·89	8·33	..	..	73·15
1878	0·03	..	..	0·02	..	0·02	19·99	48·33	20·46	16·42	4·89	2·61	..	112·77
1879	..	..	0·03	..	..	5·23	16·56	11·21	22·36	5·61	0·40	..	..	61·40
1880	..	0·01	0·02	..	..	..	21·48	18·37	4·08	22·80	1·18	..	..	67·94
1881	..	..	0·04	..	..	0·36	15·29	29·47	19·06	4·56	4·17	0·09	..	73 04
1882	..	0·04	0·02	0·08	..	0·02	27·54	26·94	3·36	10·08	1·12	0·03	..	69·23
1883	0·12	..	..	..	..	0·33	13·65	39·88	12·57	12·37	10·40	0·86	..	90·18
1884	0·03	..	..	..	..	..	13·25	25·87	15·29	17·04	2·22	0·60	1·14	75·44
1885	..	..	..	..	..	0·02	5·11	21·81	25·42	12·01	3·54	..	..	67·91
1886	..	..	..	..	0·01	0·96	43·45	35·79	10·69	6·54	1·69	0·61	..	99·74
1887	..	..	..	..	0·02	0·09	24·07	30·98	17·59	18·23	2·79	1·02	0·16	94·95
1888	1·85	0·02	0·10	..	..	..	15·76	22·47	11·43	4·92	0·11	1·16	..	57·82
1889	..	..	..	..	..	0·67	19·89	30·45	10·32	2·71	3·80	..	..	67·84
1890	..	..	..	..	0·01	0·06	24·55	21·54	10·61	6·45	0·58	1·25	1·13	66·18
1891	..	..	0·22	..	..	..	13·99	32·48	6·94	22·53	1·04	..	..	77·20
1892	..	..	..	..	..	0·11	13·30	23·86	36·56	18·73	1·89	0·67	..	95·12
1893	..	0·14	..	0·02	6·30	21·47	16·14	13·55	7·54	0·45	1·63	..	..	67·24
1894	0·22	..	0·06	0·01	..	16·87	26·16	8·40	12·04	3·08	..	0·01	..	66·85
1895	..	0·07	..	..	0·08	17·84	18·04	15·97	11·91	3·62	0·06	..	..	67·59
1896	..	..	..	..	0·26	28·02	36·44	20·77	1·62	0·01	0·53	..	..	87·65
1897	0·01	..	..	..	..	14·40	30·19	13·82	20·60	2·51	0·29	..	..	81·75
1898	..	0·17	..	..	0·16	27·21	20·72	5·28	19·94	0·48	0·13	..	..	74·09
1899	..	..	..	1·57	0·09	20·81	4·72	5·23	3·49	..	..	..	..	35·90
1901	..	..	..	..	..	18·26	25·75	17·62	7·49	..	..	..	..	69·12

Year.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Annual Total.
1901 ..	0·74	..	..	0·01	0·01	25·36	32·70	14·27	1·81	0·39	..	..	75·32
1902 ..	..	..	..	..	..	9·77	16·96	16 53	27·11	0·78	0·01	0·81	71·97
1903 ..	..	..	0·17	..	7·79	19·75	24·82	18 23	7·82	5·91	..	..	84·49
1904 ..	..	..	0·07	..	0·02	15·10	10·14	5 72	1·81	0·56	..	..	33·42
1905 ..	..	0·03	..	..	..	6·53	15·30	4 35	6·16	0·20	1·04	..	33·56
1906 ..	..	0·15	..	..	..	12·91	18·34	20·92	3·98	..	..	..	56·30
1907 ..	..	0·27	..	0·03	..	22·48	59·05	15·99	2·26	0·67	..	..	100·73
1908 ..	0·09	0·07	0·06	..	..	12·39	23·65	9·87	6·79	0·62	..	..	53·54
1909 ..	..	..	..	..	..	16·60	30·05	8·52	16·05	..	..	..	71·22
1910 ..	..	..	..	..	0·03	23·50	6·50	18·15	15·25	4·29	0·14	..	67·86
1911 ..	0·06	..	..	..	0·04	10·85	15·24	17·09	2·96	..	0·27	..	46·51
1912 ..	..	..	..	..	0·48	10·79	25·40	9·90	3·26	0·65	3·62	..	54·05
1913 ..	..	0·07	..	..	..	25·81	33·33	3·72	5·75	2·35	..	..	71·03
1914 ..	..	0·03	..	0·07	..	16·65	30·13	13·27	21·06	0·01	0·18	..	81·45
1915 ..	..	0·30	0·69	0·03	0·36	39·78	14·62	8·45	10·78	2·55	0·02	..	77·61
1916 ..	..	..	..	0·04	0·07	23·43	22·78	19·51	14·59	4·79	0·72	..	85·03
1917 ..	..	1·68	..	..	0·88	14·98	13·26	32·18	16·92	19·96	..	..	99·84
1918 ..	..	..	1·46	..	11·00	10·82	4·25	4·81	3·11	..	0·09	..	35·54
1919 ..	0·11	..	..	..	..	16·31	31·30	10·85	8·03	1·54	0·18	..	68·32
1920 ..	0·09	0·33	..	..	..	8·16	22·00	5·18	4·05	0·34	..	..	41·05
1921 ..	..	..	..	..	..	26·74	35·68	10·36	13·02	0·22	..	..	86·02
1922 ..	..	..	..	..	..	26·48	31·15	5·08	6·95	0·61	..	0·14	70·41
1923 ..	..	0·05	..	0·02	..	7·19	43·26	8·72	18·32	..	..	..	77·56
1924 ..	..	..	..	..	..	7·46	16·73	15·43	12·13	0·06	0·38	..	52·19
1925 ..	..	..	..	..	2·76	27·86	8·38	7·71	3·52	0·22	0·37	.	50·82
1926 ..	2.09	..	..	..	0.10	6.19	30.88	22.21	8.08	1.20	..	..	72.61
1927 ..	..	0.04	0.03	..	..	32·52	16.85	6·74	5.33	7·30	5·48	0·09	74·38
1928 ..	..	0·01	..	..	..	27·71	30·93	16.65	9·91	0·43	0·09	..	85·72
1929 ..	0·63	..	0·02	0·04	..	25·45	16·08	6·06	5·58	4·82	0·22	0·86	59·76
1930 ..	..	..	..	..	0·02	26·71	10·26	6·64	43·85	2·50	..	..	89·98
1931 ..	..	..	..	0·01	..	6·08	47·50	23 71	4·48	13·07	2·40	0·69	97·94
1932 ..	..	..	..	..	..	10·62	35·30	6·06	11·13	9·01	0·01	..	73·03

RAINFALL OF THE YEAR 1932.

The following table is compiled from the Reports issued by the Meteorological Department in order to present, in a condensed form, a definite record of the weather during the South-West Monsoon months of the past year and also during the whole year:—

DIVISION.	STATION.	From 1st June to 31st Oct. 1932.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1932;	Annual normal.
Bay Islands..	Port Blair	84·0	+ 5·6	103·4	116
	Victoria Point	112·5	—15·2	142·1	166
	Mergui	116·3	—12·3	148·5	161
	Tavoy	163·4	—21·1	193·1	215
Lower Burma.	Amherst	162·7	..	199·6	..
	Rangoon	81·0	— 0·5	83·1	99
	Bassein	75·5	—18·5	83·2	109
	Diamond Island	108·4	+ 8·8	127·4	118
	Gwa	153·4	— 1·5	162·4	172
	Toungoo	66·2	— 4·2	73·9	83
	Kyaukpyu	167·9	+ 5·1	184·6	188
	Akyab	168·2	—12·2	184·6	203
	Minbu	24·9	— 1·3	27.6	35
	Yamethin	23·9	— 3·8	35.4	38
	Mandalay	29·0	+ 5·1	39·1	33
Upper Burma.	Monywa	14·0	— 8·9	19·4	31
	Lashio	43·1	— 4·9	55·1	62
	Bhamo	60·5	+ 9·3	76 9	72
	Myitkyina	89·5	+ 22·3	106·2	79

DIVISION.	STATION.	From 1st June to 31st Oct. 1932.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1932.	Annual normal.
ASSAM	Dibrugarh	86·3	+ 9·1	127·0	108
	Sibsagar	70·1	+ 5·8	100·7	96
	Tezpur	62·5	+ 9·3	90·9	74
	Gauhati	35·4	—10·1	52·9	65
	Dhubri	69·1	— 4·4	99·3	97
	Silchar	89·5	+ 7·4	127·9	125
BENGAL	Cox's Bazar	120·9	+ 0·9	134·3	141
	Chittagong	86·7	+ 5·4	117·4	103
	Narayanganj	41·4	—11·9	64·6	74
	Barisal	61·9	— 1·9	84·2	82
	Jessore	32·9	—16·3	50·7	66
	Calcutta	40·3	—10·9	61·9	63
	Saugor Island	42·3	—17·0	75·2	60
	Burdwan	43·1	— 3·1	53·7	59
	Berhampore	30·9	— 7·2	65·4	57
	Mymensingh	61·1	— 9·3	82·8	93
	Bogra	50·0	— 7·0	66·6	71
	Dinajpur	58·5	— 1·0	71·7	71
	Jalpaiguri	110·5	+ 5·6	130·7	122
ORISSA	Balasore	33·3	—16·8	53·6	63
	Chandbali	44·1	..	64·4	..
	Cuttack	40·4	— 9·9	56·1	59
	Sambalpur	57·9	— 2·8	63·5	66
CHOTA NAGPUR.	Chaibasa	38·6	— 4·7	45·0	52
	Ranchi	42·2	— 7·4	48·2	57
	Hazaribagh	34·8	—12·2	39·6	53
	Daltongani	46·3	+ 6·0	48·3	45
BIHAR	Purnea	37·1	—17·7	48·9	62
	Darbhanga	26·5	—18·5	30·1	50
	Patna	28·0	—16·5	31·3	49
	Gaya	25·3	—18·2	29·8	47
	Naya Dumka	41·1	— 8·8	46·5	57
UNITED PROVINCES, EAST.	Gorakhpur	43·8	— 2·6	46·6	50
	Benares	30·5	— 7·1	33·9	41
	Allahabad	26·5	— 9·9	27·1	39
	Cawnpore	21·7	—11·6	22·1	36
	Lucknow	17·4	—17·6	18·7	39
	Bahraich	34·8	— 5·6	35·3	45
UNITED PROVINCES, WAST.	Jhansi	40·0	+ 6·1	41·7	36
	Agra	22·9	— 1·6	23·8	27
	Mainpuri	32·4	+ 8·4	33·0	27
	Bareilly	20·4	—19·1	21·9	44
	Meerut	34·9	+ 7·3	36·9	32
	Roorkee	45·2	+ 9·3	50·1	42
	Dehra Dun	86·6	+12·7	91·9	88
PUNJAB, EAST AND NORTH.	Delhi	19·7	— 3·4	20·9	27
	Hissar	7·7	— 4·0	11·0	15
	Ambala	47·9	+23·8	58·3	31
	Ludhiana	19·0	— 3·4	22·0	29
	Lahore	9·4	— 5·7	13·5	20
	Sialkot	19·1	— 3·8	21·9	31
	Rawalpindi	15·0	— 8·1	25·8	35
PUNJAB, SOUTH-WEST.	Khushab	10·8	+ 1·1	13·3	15
	Lyallpur	5·1	— 6·2	7·3	13
	Montgomery	2·1	— 5·9	2·3	11
	Multan	6·2	+ 1·1	8·2	7
	Bahawalpur	5·4	+ 1·5	6·8	6
	Khanpur	9·0	+ 4·2	14·3	7

DIVISION.	STATION.	From 1st June to 31st Oct. 1931.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1931	Annual normal.
KASHMIR ..	Srinagar	9·6	+ 0·8	27·0	26
	Sonamarg	15·4	— 0·2	54·2	71
	Dras	2·4	— 1·0	13·5	21
	Leh	1·9	+ 0·3	3·2	3
	Skardu	1·0	— 1·0	4·0	7
	Gilgit	1·8	— 0·2	8·5	5
N. W. FRONTIER PROV.	Peshawar	7·5	+ 2·6	17·8	13
	Miranshah	5·1	..	13·4	..
	Dera I. Khan	8·0	+ 2·6	11·5	9
BALUCHISTAN.	Fort Sandeman	5·5	0	8·9	11
	Harnai	13·7	..	16·3	14
	Quetta	2·8	+ 1·3	6·2	10
	Chaman	0·2	— 0·1	7·5	7
	Kalat	3·2	+ 1·9	3·7	7
	Dalbandin	0·8	— 0·5	3·0	4
	Panjgur	..	..	..	5
	Pasni	..	..	5·8	7
SIND ..	Jacobabad	4·9	+ 2·6	5·3	4
	Chhor	6·6	..	6.5	..
	Hyderabad	3·6	— 2·4	4·3	7
	Karachi	12·6	+ 0·7	12·8	8
	Badin	7·8	..	8·3	..
RAJPUTANA, WEST.	Bikaner	7·6	— 2·1	8·4	12
	Jodhpur	17·7	+ 5·4	18·0	14
	Barmer	12·3	..	13·5	..
RAJPUTANA, EAST.	Jaipur	21·2	— 0·7	22·6	24
	Ajmer	11·5	— 7·1	14·7	21
	Kotah	24·5	— 1·8	24·9	28
	Jhalrapatan	21·1	..	21·6	..
	Udaipur	16·6	— 5·4	17·0	24
	Deesa	16·0	— 7·7	16·0	25
GUJARAT ..	Bhuj	9·6	— 4·2	9·7	14
	Dwarka	18·7	+ 5·9	18·7	13
	Rajkot	19·4	— 6·0	19·4	26
	Veraval	23·6	+ 5·5	23·6	19
	Surat	42·9	+ 2·7	42·9	41
	Bhavnagar	20·5	+ 0·4	20·5	21
	Ahmedabad	31·4	+ 3·4	31·4	29
	Dohad	29·7	..	30·5	..
	Guna	44·1	..	44·6	29
CENTRAL INDIA, WEST.	Neemuch	20·4	— 7·1	20·8	33
	Indore	42·5	+11·3	43·0	..
	Bhopal	59·5	..	60·2	
CENTRAL INDIA, EAST.	Nowgong	33.7	— 6·3	35·9	43
	Sutna	29·3	—12·0	30·8	45
BERAR ..	Akola	25·8	— 2·9	28·3	31
	Amraoti	31·9	+ 1·9	32·6	33
CENTRAL PROVINCES, WEST.	Khandwa	34·6	+ 6·9	36·3	30
	Hoshangabad	51·6	+ 8·6	55·9	49
	Saugor	54·2	+12·2	56·0	45
	Jubbulpore	52·5	+ 1·3	53·8	55
	Seoni	50·3	+ 1·7	53·8	53
	Nagpur	42.5	— 2·3	46·5	49
CENTRAL PROVINCES, EAST.	Pendra	61·2	+17·5	64·3	50
	Raipur	45·5	— 1·2	46·3	51
	Kanker	42·7	..	50·3	..
	Chanda	51·7	+ 4.0	53·0	52
	Jagdalpur	55·4	+ 2·1	63·0	64
KONKAN ..	Bombay	73·0	+ 4·0	73·7	71
	Ratnagiri	108·5	+11·2	111·6	100
	Marmagoa	95·0	..	101·9	95
	Karwar	113·8	— 0·3	121·8	120

DIVISION.	STATION.	From 1st June to 31st Oct. 1932.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1932.	Annual normal.
BOMBAY DECCAN.	Malegaon	18·4	— 1·7	21·7	22
	Ahmednagar	27·2	+ 7·7	30·1	22
	Poona	20·4	+ 5·4	33·6	27
	Sholapur	26·0	+ 1·4	31·9	29
	Mira	33·9	..	41·7	..
	Bijapur	23·3	+ 6·1	28·4	21
	Belgaum	64·7	+21·2	75·9	50
	Gadag	21·3	..	31·3	
HYDERABAD, NORTH.	Aurangabad	27·8	+ 3·0	31·1	27
	Parbhani	26·1	— 2·9	28·9	33
	Nizamabad	43·5	+ 6·7	47·8	40
HYDERABAD, SOUTH.	Gulbarga	23·1	— 4·0	26·0	31
	Raichur	25·7	+ 1·1	27·7	28
	Hyderabad	19·1	— 8·6	27·1	32
	Hanamkonda	25·9	— 4·5	34·2	34
MYSORE	Chitaldrug	28·6	+10·9	37·8	25
	Bangalore	30·3	+ 4·9	42·9	36
	Mysore	16·4	— 3·9	31·1	31
MALABAR	Mangalore	99·7	—14·7	121·4	126
	Calicut	110·9	+13·1	159·3	117
	Cochin	93·6	+ 7·2	135·6	115
	Trivandrum	49·8	+10·2	93·0	65
MADRAS, SOUTH-EAST.	Palamcottah	11·4	+ 1·8	28·1	28
	Pamban	12·3	+ 0·6	37·0	37
	Madura	16·9	— 3·6	33·2	34
	Negapatam	16·9	— 4·1	75·7	55
	Trichinopoly	20·2	+ 1·7	44·7	33
	Coimbatore	11·2	— 0·9	26·0	22
	Salem	28·9	+ 1·9	49·0	39
	Cuddalore	20·6	— 0·1	52·5	53
	Vellore	16·6	—10·9	29·0	42
	Madras	30·0	+ 2·9	46·5	51
MADRAS DECCAN.	Cuddapah	12·0	—12·0	19·4	31
	Bellary	20·4	+ 5·3	25·6	21
	Kurnool	16·9	— 5·5	22·2	26
MADRAS COAST, NORTH.	Nellore	11·2	— 9·2	29·0	38
	Masulipatam	28·8	— 3·4	37·5	42
	Cocanada	28·1	— 1·6	45·3	29
	Vizagapatam	16·5	—11·8	34·8	37
	Calingapatam	20·5	—14·0	36·1	42
	Gopalpur	21·2	—14·8	38·1	45
HILL STATIONS, EXCLUDING KASHMIR & BALUCHISTAN.	Maymyo	41·6	— 0·6	55·8	59
	Shillong	49·8	—12·9	86·4	84
	Cherrapunji	340·5	+ 7·0	486·6	424
	Darjiling	74·2	—31·4	92·2	123
	Mukteswar	38·7	— 1·6	45·0	52
	Mussooree	82·5	+ 11·4	96·8	110
	Simla	55·1	+ 6·5	62·1	64
	Dalhousie	54·7	— 4·6	75·6	85
	Murree	29·8	— 7·9	46·9	60
	Cherat	9·0	— 2·7	23·5	27
	Parachinar	14·6	..	31·1	29
	Drosh	2·0	..	15·9	17
	Mount Abu	63·3	+ 4·7	63·4	61
	Pachmarhi	94·8	+22·2	96·9	77
	Mahabaleshwar	233·5	..	238·8	266
	Mercara	112·7	+ 0·4	138·3	125
	Kodaikanal	38·0	+ 5·0	59·6	62
	Coonoor	29·5	..	57·6	..
CEYLON	Colombo	55·9	+20·5	123·7	84

STATEMENT showing the total Measurement of Bales and Miscellaneous Packages with Receipts, Expenditure, &c.

Year ending.	No. of Bales and Packages measured.	Receipts.	Expenditure.	Surplus Receipts.	Excess of Expenditure.
From 18th May 1870 to 30th November 1872	Not recorded	Rs. 52,215	Rs. 36,315	Rs. 15,900	Rs. ..
From 1st December 1872 to 30th November 1873	1,086,577	16,995	15,291	1,704	..
Year ending 30th Nov. 1874	1,402,379	21,707	18,986	2,721	..
Do. 30th Nov. 1875	1,474,470	23,039	22,009	1,030	..
Do. 30th Nov. 1876	1,240,034	19,375	22,355	..	2 980
Do. 30th Nov. 1877	1,101,318	18,324	21,561	..	3,230
Do. 30th Nov. 1878	1,040,961	20,837	23,287	..	2,457
Do. 30th Nov. 1879	887,100	28,808	20,140	8,668	..
Do. 30th Nov. 1880	1,163,545	33,219	20,804	10,135	..
Do. 30th Nov. 1881	1,313,592	25,177	24,029	1,147	..
Do. 30th Nov. 1882	1,892,796	33,225	24,757	8,468	..
Do. 30th Nov. 1883	1,852,047	33,792	25,605	8,187	..
Do. 30th Nov. 1884	1,814,986	33,404	22,604	10,800	..
Do. 31st Dec. 1885	1,402,845	29,482	24,385	5,097	..
Do. 31st Dec. 1886	1,748,856	32,893	21,582	11,311	..
Do. 31st Dec. 1887	1,845,446	35,933	20,017	15,916	..
Do. 31st Dec. 1888	1,659,273	36,371	21,057	15,314	..
Do. 31st Dec. 1889	2,156,604	43,042	21,648	21,394	..
Do. 31st Dec. 1890	2,335,935	45,872	23,171	22,701	..
Do. 31st Dec. 1891	2,012,900	39,533	23,402	16,131	..
Do. 31st Dec. 1892	1,946,389	38,017	24,495	13,522	..
Do. 31st Dec. 1893	1,691,755	32,517	24,273	8,244	..
Do. 31st Dec. 1894	1,708,728	33,665	25,156	8,509	..
Do. 31st Dec. 1895	1,679,325	34,921	21,546	13,375	..
Do. 31st Dec. 1896	2,049,862	30,061	22,240	17,821	..
Do. 31st Dec. 1897	1,746,610	33,956	22,484	11,472	..
Do. 31st Dec. 1898	1,910,140	36,174	21,100	15,074	..
Do. 31st Dec. 1899	2,132,603	41,684	21,041	20,643	..
Do. 31st Dec. 1900	1,147,591	28,302	20,844	7,458	..
Do. 31st Dec. 1901	2,947,198	45,497	21,918	23,579	..
Do. 31st Dec. 1902	2,159,823	43,709	26,865	16,844	..
Do. 31st Dec. 1903	2,064,171	53,654	31,522	22,132	..
Do. 31st Dec. 1904	2,292,791	48,673	19,666	29,007	..
Do 31st Dec. 1905	2,534,599	53,255	21,427	31,828	..
Do. 31st Dec. 1906	2,685,432	54,215	23,516	30,699	..
Do. 31st Dec. 1907	2,976,312	60,171	27,054	33,117	..
Do. 31st Dec. 1908	2,302,349	48,844	29,706	19,138	..
Do. 31st Dec. 1909	2,736,023	57,502	28,310	29,192	..
Do. 31st Dec. 1910	3,163,919	65,853	30,617	35,236	..
Do. 31st Dec. 1911	2,300,016	54,123	34,028	20,095	..
Do. 31st Dec. 1912	2,528,825	55,571	31,953	23,618	..
Do. 31st Dec. 1913	3,127,997	64,049	32,441	31,608	..
Do. 31st Dec. 1914	3,336,685	65,197	36,014	29,183	..
Do. 31st Dec. 1915	3,361,744	73,410	35,002	38,408	..
Do. 31st Dec. 1916	3,409,241	85,407	37,571	47,836	..
Do. 31st Dec. 1917	2,944,383	67,356	41,363	25,996	..
Do. 31st Dec. 1918	1,933,943	73,386	41,640	31,746	..
Do. 31st Dec. 1919	2,910,991	86,189	46,154	40,035	..
Do. 31st Dec. 1920	3,027,873	1,06,901	70,146	36,755	..
Do. 31st Dec. 1921	3,407,858	1,54,071	70,208	83,863	..
Do. 31st Dec. 1922	3,517,691	1,60,333	76,399	83,934	..
Do. 31st Dec. 1923	2,692,835	1,24,179	76,939	47,240	..
Do. 31st Dec. 1924	2,365,531	1,16,002	72,034	43,968	..
Do. 31st Dec. 1925	2,111,055	1,09,375	69,703	39,672	..
Do. 31st Dec. 1926	1,785,602	1,08,621	68,203	40,418	..
Do. 31st Dec. 1927	1,573,756	1,33,382	74,855	58,527	..
Do. 31st Dec. 1928	1,991,021	1,13,092	71,963	41,129	..
Do. 31st Dec. 1929	1,825,481	1,02,578	69,338	33,240	..
Do. 31st Dec. 1930	1,812,795	1,00,015	69,192	30,823	..
Do. 31st Dec. 1931	1,288,522	82,470	62,917	19,553	..
Do. 31st Dec. 1932	985,491	79,305	60,855	18,450	..

Statement showing the total Measurement of Bales and Miscellaneous Packages, with Receipts for the years 1923 to 1932.

Years.	Nett Bales certified.		Nett Miscellaneous Articles.		Nett Round Logs.		Extra Fees.		Nett Totals.	
	Number of Bales.	Nett Fees.	Number of Packages.	Nett Fees.	Number of Logs.	Nett Fees.	Articles certified.	Amount.	Packages.	Nett Fees.
		Rs. a. p.		Rs. a. p.		Rs a. p.		Rs. a. p.		Rs. a. p.
1923	2,024,508	63,265 14 0	668,323	57,951 2 3	4	2 0 0	..	2,960 7 6	2,692,835	1,24,179 7 9
1924	1,723,813	53,869 2 6	641,718	58,174 5 9	..	....	..	3,834 0 0	2,365,531	1,15,877 8 3
1925	1,579,403	49,356 5 6	531,652	55,700 2 6	..	....	..	4,318 7 6	2,111,055	1,09,374 15 6
1926	1,254,587	39,205 13 6	531,015	63,323 9 0	..	....	..	6,091 7 6	1,785,602	1,08,620 14 0
1927	994,512	31,141 0 0	577,244	68,542 0 0	..	....	..	33,699 10 0	1,573,756	1,33,382 10 0
1928	1,480,5 55	46,267 5 6	510,388	60,803 15 0	78	39 0 0	..	5,981 6 0	1,991,021	1,13,091 10 6
1929	1,328,917	41,528 10 6	496,505	58,565 3 0	59	29 8 0	..	2,455 0 6	1,825,481	1,02,578 6 0
1930	1,365,626	42,675 13 0	447,169	51,784 15 0	..	.....	..	5,554 7 6	1,812,795	1,00,015 3 6
1931	882,510	27,578 7 0	406,012	47,149 1 0	..	....	..	7,743 1 0	1,288,522	82,470 9 0
1932	4,87,331	15,229 1 6	498,160	56,297 1 0	..	....	..	7,778 15 0	985,491	79,305 1 0

FINANCIAL STATISTICS.

	Rs.
NOTE ISSUE—	
Total amount of Notes in circulation on the 31st December 1932	1,74,80,07,815
Total Rs. ..	1,74,80,07,815

	Rs.
RESERVE—	
Coin and Bullion—	
In India—	
Silver Coin	97,82,95,103
Gold Bullion	18,67,74,379
Silver Bullion	12,83,40,683
In England—	
Gold and Silver Bullion	*Nil.*
In His Majesty's Dominions—	
Gold Bullion	*Nil.*
In transit between India, England and His Majesty's Dominions—	
Gold and Silver Bullion	*Nil.*
Total Coin and Bullion ..	1,29,34,10,165
Securities—(Purchase Price)—	
In India of the nominal value of Rs. 46,50,19,000.	45,45,97,650
In England	*Nil.*
Total Securities ..	45,45,97,650
Grand Total of Reserve ..	1,74,80,07,815
Internal Bills of Exchange held on account of Government under Section 20 of the Indian Paper Currency Act, 1923	....
Total Rs. ..	1,74,80,07,815

BALANCE OF THE GOLD STANDARD RESERVE on 31st December 1932 in England amounted to	£ 40,000,000
Total	£ 40,000,000

		£
Gold	In England	2,152,334
	In India	17,114,000
Cash at short notice at the Bank of England		2,400
British Treasury Bills		10,248,672
Other British and Dominion Government Securities		10,482,594
Total		£ 40,000,000

BALANCE HELD IN CASH IN THE DISTRICT TREASURIES of the Government of India and at the credit of Government in the Imperial Bank of India on		Rs.
31st December	1927	7,04,00,000
,, ,, ,, ,, ,, ,, ,, ,,	1928	7,73,00,000
,, ,, ,, ,, ,, ,, ,, ,,	1929	7,45,00,000
,, ,, ,, ,, ,, ,, ,, ,,	1930	9,28,14,000
,, ,, ,, ,, ,, ,, ,, ,,	1931	10,08,27,000
,, ,, ,, ,, ,, ,, ,, ,,	1932	8,77,78,000

	Official year 1931-32. Rs.	Official year 1930-31. Rs.	Official year 1929-30. Rs.
COINAGE OF SILVER IN INDIA—(Bombay and Calcutta Mints)— Whole Rupees and Small Coins	*Nil.*	18,23,532	1,80,000

NET PROFIT ON COINAGE for the year ending 31st December 1932	Rs. *Nil.*

AMOUNT OF GOVERNMENT PROMISSORY NOTES standing on the London Registers at the end of March		Rs.
	1928	8,72,74,700
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	1929	8,71,37,375
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	1930	8,38,85,150
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	1931	8,34,07,650
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	1932	8,39,70,250
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	1933	8,26,75,850

IMPORT AND EXPORT TRADE OF BRITISH INDIA.

STATEMENT showing the Annual Value of the Import and Export Trade of British India and the Total Miles of Railway opened.

Calendar Year.	Total Miles of Railway opened.	Year ending 31st March.	Imports.			Exports.		
			Merchandise.	Treasure.	Total Merchandise and Treasure.	Merchandise.	Treasure.	Total Merchandise and Treasure.
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1877 ..	7320	1877	37,44,06,308	11,43,61,197	48,87,67,505	61,01,38,912	4,02,98,978	65,04,37,890
1878 ..	8217	1878	41,46,41,851	17,35,54,596	58 81,96,447	65,22,23,282	2,21,09,956	67,43,33,238
1879 ..	8494	1879	37,80,09,835	7,05,67,486	44,85,77,321	60,93,68,769	3,98,22,283	64,91,91,052
1880 ..	9162	1880	41,17,25,671	11,65,48,948	52,82,74,619	67,21,07,406	2,03,51,479	69,24,58,885
1881 ..	9890	1881	53,08,68,074	8,99,72,139	62,08,40,213	74,54,09,072	1,44,04,408	75,98,13,480
1882 ..	10149	1882	49,11,28,724	11,32,27,804	60,43,56,528	81,96,64,102	1,09,97,468	83,06.61.576
1883 ..	10458	1883	52,09,86,720	13,45,33,642	65,55,20,362	83,48,49,372	1,04,18,488	84,52,67,860
1884 ..	11631	1884	55,29,89,907	12,87,79,633	68,17,69,540	88,07,64,315	1,00,84,937	89,08,49,252
1885 ..	12283	1885	55,70,16,804	13,88,81,918	69,58,98,722	83,17,01,507	1,96,89,796	85,13,91,302
1886 ..	12892	1886	55,65,19,552	15,46,70,808	71,11,90,360	83,86,11,693	1,10,82,310	84,96,94,603
1887 ..	14103	1887	61,81,19,608	11,04,83,224	72,86,02,832	88,48,10,354	1,72,04,261	90,20,14,615
1888 ..	14576	1888	65,00,45,881	13,81,25,456	78,81,71,337	90,54,36,458	1,60,46,242	92,14,82,700
1889 ..	15887	1889	69,43,77,531	13,84,49,249	83,28,26,780	97,06,02,386	1,78,43,819	98,84,46,205
1890 ..	16401	1890	69,19,93,762	17,45,45,037	86,65,38,799	1,03,44,87,052	1,90,63,218	1,05,35,50,270
1891 ..	17308	1891	71,97,57,754	21,93,44,876	93,91,02,630	1,00,21,50,575	2,12,31,785	1,02,33,82,360
1892 ..	17815	1892	69,42,75,659	14,72,26,621	84,15,02,280	1,08,17,79,873	3,28,66,858	1,11,46,46,731
1893 ..	18504	1893	66,27,86,222	17,00,98,101	83,28,84,323	1,06,57,46,715	6,95,89,237	1,13,53,35,952
1894 ..	18900	1894	77,02,60,944	18,46,12,564	95,48,73,508	1,06,51,48,540	4,10,01,921	1,10,61,50,461
1895 ..	19547	1895	73,51,65,042	9,58,12,084	83,09,77,126	1,08,92,91,101	8,22,60,717	1,17,15,51,818
1896 ..	20254	1896	72,93,61,344	13,36,79,854	86,30,41,198	1,14,34,59,341	4,25,98,105	1,18,60,57,446
1897 ..	21115	1897	76,21,58,352	13,08,45,635	89,30,03,987	1,03,98,36,184	4,93,74,955	1,08,92,11,139
1898 ..	22040	1898	73,63,43,159	20,53,06,170	94,16,49,329	97,63,51,802	7,14,86,470	1,04,78,38,272

1899 ..	23523	1899	72,11,07,161	17,89,56,127	90,00,63,238	1,12,80,11,811	7,41,14,207	1,20,21,26,018
1900 ..	24752	1900	75,30,44,785	20,97,36,851	96,27,81,636	1,09,11,36,448	7,95,63,876	1,17,07,00,324
1901 ..	25363	1901	80,89,40,873	24,57,61,818	1,05,47,02,691	1,07,76,44,143	14,22,73,646	1,21,99,17,789
1902 ..	25931	1902	88,74,24,199	20,87,13,352	1,09,61,37,551	1,24,52,48,571	11,47,08,603	1,35,99,57,174
1903 ..	26956	1903	85,86,60,829	25,31,83,178	1,11,18,44,007	1,29,40,79,337	9,65,76,370	1,39,06,55,707
1904 ..	27565	1904	92,59,22,723	38,52,61,072	1,31,11,83,795	1,53,51,71,599	15,04,38,811	1,68,56,10,410
1905 ..	28295	1905	1,04,41,27,454	39,50,81,750	1,43,92,09,204	1,57,70,83,029	16,42,88,167	1,74,13,71,196
1906 ..	29097	1906	1,12,07,09,822	31,65,14,438	1,43,72,24,260	1,61,85,53,960	15,47,00,054	1,77,32,54,014
1907 ..	30010	1907	1,17,24,15,294	44,57,98,114	1,61,82,13,408	1,76,66,94,270	5,71,82,526	1,82,38,76,796
1908 ..	30576	1908	1,36,53,80,464	42,28,44,977	1,78,82,25,441	1,77,37,29,392	5,44,85,001	1,82,82,14,393
1909 ..	31490	1909	1,28,77,81,788	22,74,41,677	1,51,52,23,465	1,53,14,31,953	6,32,02,465	1,59,46,34,418
1910 ..	32099	1910	1,22,64,97,224	37,52,34,734	1,60,17,31,958	1,87,83,04,410	6,39,90,403	1,94,22,94,813
1911 ..	32839	1911	1,33,70,57,458	39,77,35,730	1,73,47,93,188	2,10,15,16,030	7,12,69,254	2,17,27,85,284
1912 ..	33484	1912	1,44,05,54,383	53,47,08,480	1,97,52,62,863	2,27,98,82,325	10,37,39,063	2,38,36,21,388
1913 ..	34656	1913	1,66,62,96,807	61,83,17,536	2,28,46,14,343	2,46,21,83,342	10,63,17,656	2,56,85,00,998
*1913-14..	34656	1914	1,91,30,79,586	43,43,96,503	2,34,74,76,089	2,49,00,74,896	7,08,28,850	2,56,09,03,746
*1914-15..	35285	1915	1,44,93,07,207	21,80,83,236	1,66,73,90,443	1,82,17,60,256	5,28,94,370	1,87,46,54,626
*1915-16..	35833	1916	1,38,16,93,032	11,94,62,390	1,50,11,55,422	1,99,48,03,975	8 22 57 819	2,07,70,61,794
*1916-17..	36286	1917	1,60,24,89,599	37,71,08,121	1,97,95,97,720	2,47,31,10,343	6,29,72,057	2,53,60,82,400
*1917-18..	36333	1918	1,64,35,48,949	†....	†....	2,44,89,45,219	†....	† ....
*1918-19..	36616	1919	1,88,56,24,317	71,36,55,075	2,59,92,79,392	2,55,32,02,610	9,01,03,571	2,64,33,06,181
*1919-20..	36735	1920	2,21,70,24,425	78,23,88,554	2,99,94,12,979	3,32,75,78,755	13,67,97,719	3,46,43,76,474
*1920-21..	37029	1921	3,47,13,52,122	34,76,34,962	3,81,89,87,084	2,67,64,36,175	26,17,12,640	2,93,81,48,815
*1921-22..	37266	1922	2,82,59,75,453	31,29,90,526	3,13,89,65,979	2,48,65,76,106	19,06,73,144	2,67,72,49,250
*1922-23..	37618	1923	2,46,19,24,109	63,57,96,096	3,09,77,20,205	3,16,07,16,915	3,01,71,845	3,19,08,88,760
*1923-24..	38039	1924	2,37,18,32,279	53,20,40,566	2,90,38,72,845	3,63,37,63,664	3,67,32,510	3,67,04,96,174
*1924-25..	38270	1925	2,53,36,36,608	99,19,84,987	3,52,56,21,595	4,00,24,27,531	5,16,81,392	4,05,41,08,923
*1925-26..	38610	1926	2,36,00,12,595	55,48,77,580	2,91,48,90,175	3,86,81,21,842	3,83,91,668	3,90,65,13,510
*1926-27..	39048	1927	2,40,81,84,303	41,53,20,573	2,82,35,04,876	3,11,05,04,300	2,21,13,404	3,13,26,17,704
*1927-28..	39048	1928	2,61,53,40,569	34,89,52,529	2,96,42,94,098	3,30,26,37,283	3,13,60,896	3,33,39,98,179
*1928-29..	40330	1929	2,63,39,79,360	37,29,42,646	3,00,69,22,006	3,39,15,06,656	6,35,31,454	3,45,50,38,110
*1929-30..	41723	1930	2,49,70,74,490	27,83,19,584	2,77,53,94,074	3,18,98,97,089	5,14,33,004	3,24,13,30,093
*1930-31..	42281	1931	1,73,06,25,932	26,86,34,373	1,99,92,60,305	2,26,50,21,864	4,00,08,598	2,30,50,30,462
*1931-32..	42813	1932	1,30,64,28,506	7,26,80,825	1,37,91,09,331	1,61,20,22,325	65,92,85,265	2,27,13,07,590

* Official year ending 31st March.

† Figures not available.

FOREIGN TRADE OF BRITISH INDIA.

Summary of Imports and Exports in the Official Years 1926-1927 *to* 1931-1932.

——	1926-1927.	1927-1928.	1928-1929.	1929-1930.	1930-1931.	1931-1932.
IMPORTS—	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Merchandise, Private.						
Bengal	81,67,60,738	86,40,90,570	89,00,88,734	83,37,64,794	51,20,96,789	34,66,08,177
Bombay	76,87,78,624	86,38,78,494	84,13,53,914	82,65,31,263	56,93,80,038	49,76,07,176
Sind	28,04,67,511	26,40,89,840	31,52,52,312	26,47,61,249	19,48,04,711	15,85,98,186
Madras	21,25,83,541	24,56,50,871	27,59,30,003	26,87,74,314	20,70,46,969	15,58,55,383
Burma	23,36,17,762	26,07,56,495	21,04,34,778	21,41,37,721	16,46,08,356	10,50,45,193
Total ..	2,31,22,08,176	2,49,84,66,270	2,53,30,59,741	2,40,79,69,341	1,64,79,36,863	1,26,37,14,115
Ditto Government Stores.	9,59,76,127	11,68,74,299	10,09,19,619	8,91,05,149	8,26,89,069	4,27,14,391
Total Merchandise ..	2,40,81,84,303	2,61,53,40,569	2,63,39,79,360	2,49,70,74,490	1,73,06,25,932	1,30,64,28,506
Treasure, Private.						
Bengal	5,85,96,931	3,89,93,399	4,76,07,328	3,65,74,287	4,19,45,115	1,22,75,682
Bombay	34,98,07,254	27,85,00,893	24,44,56,447	18,63,02,984	17,91,44,927	4,43,90,799
Sind	18,29,777	15,07,255	22,47,759	42,67,418	38,60,301	13,79,775
Madras	17,50,249	2,68,27,603	7,71,23,351	4,77,11,409	4,09,77,844	1,39,78,408
Burma	11,61,668	23,31,318	15,05,957	28,19,831	26,23,109	6,05,406
Total ..	41,31,45,879	34,81,60,468	37,29,40,842	27,76,75,929	26,85,51,296	7,25,90,070
Ditto. Government ..	21,74,694	7,93,061	1,804	6,43,655	83,077	90,755
Total Treasure ..	41,53,20,573	34,89,53,529	37,29,42,646	27,83,19,584	26,86,34,373	7,26,80,825
Grand Total of Imports..	2,82,35,04,876	2,96,42,94,098	3,00,69,22,006	2,77,53,94,074	1,99,92,60,305	1,37,91,09,331

EXPORTS—						
Merchandise, Private.						
Foreign Goods.						
Bengal	56,52,595	71,22,810	59,97,672	56,16,427	43,17,090	52,45,981
Bombay	5,37,44,532	6,93,85,784	5,02,42,831	4,52,10,018	3,23,21,172	2,84,33,268
Sind	1,67,69,395	1,39,48,036	1,77,73,194	1,66,71,547	1,10,43,710	91,41,349
Madras	29,27,161	38,11,360	29,43,641	28,78,293	27,12,109	27,13,669
Burma	10,03,876	11,09,777	13,75,553	8,92,377	10,46,234	10,51,993
Total ..	8,00,97,559	9,53,77,767	7,83,32,891	7,12,68,662	5,14,40,315	4,65,86,260
Indian Produce and Manufactures.						
Bengal	1,34,07,99,375	1,46,37,42,087	1,44,31,32,595	1,33,11,25,981	86,31,75,277	64,03,53,878
Bihar and Orissa ..	59,759	....	27,550	12,540	35,962	4,050
Bombay	65,21,61,530	60,23,69,058	78,69,93,575	69,70,96,113	53,02,13,733	31,50,95,935
Sind	24,76,29,663	27,18,67,431	27,24,63,187	23,85,59,629	16,96,80,056	11,53,26,924
Madras	37,71,06,592	43,89,35,855	46,29,50,419	44,72,27,190	32,00,75,147	25,97,94,915
Burma	39,66,01,365	41,46,20,935	33,57,11,460	39,40,33,747	32,17,46,163	22,83,10,392
Total ..	3,01,43,58,284	3,19,15,35,366	3,30,12,78,786	3,10,80,55,200	2,20,49,26,338	1,55,88,86,094

FOREIGN TRADE OF BRITISH INDIA.

Summary of Imports and Exports in the Official Years 1926-27 *to* 1931-32—(continued).

—	1926-1927.	1927-1928.	1928-1929.	1929-1930.	1930-1931.	1931-1932.
Total Foreign and Indian Merchandise exported Private.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Bengal	1,34,64,51,970	1,47,08,64,897	1,44,91,30,267	1,33,67,42,408	86,74,92,367	64,55,99,859
Bihar and Orissa ..	59,759	....	27,550	12,540	35,962	4,050
Bombay	70,59,06,062	67,17,54,842	83,72,36,406	74,23,06,131	56,25,34,905	34,35,29,203
Sind	26,43,99,058	28,58,15,467	29,02,36,381	25,52,31,176	18,07,23,766	12,44,68,273
Madras	38,00,33,753	44,27,47,215	46,58,94,060	45,01,05,483	32,27,87,256	26,25,08,584
Burma	39,76,05,241	41,57,30,712	33,70,87,013	39,49,26,124	32,27,92,397	22,93,62,385
Total ..	3,09,44,55,843	3,28,69,13,133	3,37,96,11,677	3,17,93,23,862	2,25,63,66,653	1,60,54,73,354
Ditto Government Stores.	1,60,48,457	1,57,24,150	1,18,94,979	1,05,73,227	86,55,211	65,49,971
Total Merchandise ..	3,11,05,04,300	3,30,26,37,283	3,39,15,06,656	3,18,98,97,089	2,26,50,21,864	1,61,20,22,325
Treasure, Private						
Bengal	1,417	2,77,000	1,58,339	3,875	2,497	18,86,243
Bombay	1,50,46,405	2,41,19,331	2,57,10,915	1,28,86,958	2,24,41,712	61,21,26,871
Sind	10,17,603	13,55,450	17,20,150	21,05,500	11,25,035	44,38,871
Madras	33,78,960	91,099	4,00,931	5,46,367	6,92,941	58,31,107
Burma	5,90,894	4,05,909	13,20,545	1,44,454	10,000	47,81,131
Total ..	2,00,35,279	2,62,49,689	2,93,10,880	1,56,87,154	2,42,72,185	62,90,64,223
Ditto. Government ..	20,78,125	51,11,207	3,42,20,574	3,57,45,850	1,57,36,413	3,02,21,042
Total Treasure ..	2,21,13,404	3,13,60,896	6,35,31,454	5,14,33,004	4,00,08,598	65,92,85,265
Grand Total of Exports..	3,13,26,17,704	3,33,39,98,179	3,45,50,38,110	3,24,13,30,093	2,30,50,30,462	2,27,13,07,590

Value of the Imports of Gold and Silver Coin and Bullion into British India by Sea during the year ending 31st December 1932.

Countries.	Gold.			Silver.		
	Private.	Government.	Total.	Private.	Government.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom	2,814	....	2,814	47,69,523	....	47,69,523
France	....	....	....	34	....	34
Aden and Dependencies	17,37,392	....	17,37,392	4,910	....	4,910
Arabia	28,11,975	....	28,11,975	4,51,531	7,842	4,59,373
Iraq	4,44,619	....	4,44,619	66,14,635	....	66,14,635
Bahrein Islands	21,26,485	....	21,26,485	4,39,716	....	4,39,716
Persia	....	....	....	48,486	....	48,486
Ceylon	58,84,155	....	58,84,155	1,971	....	1,971
Straits Settlements (including Labaun) ..	....	....	....	2,60,096	....	2,60,096
China	47,008	....	47,008	1,42,561	....	1,42,561
Siam	....	....	....	56,450	....	56,450
Indo China	....	....	....	34,500	....	34,500
Natal	6,40,068	....	6,40,068	700	....	700
Transvaal	89	....	89	....	....	....
Africa East	12,22,958	....	12,22,958	7,351	....	7,351
Anglo Egyptian Soudan	1,11,740	....	1,11,740	....	....	....
Mauritius and Dependencies (including Seychelles).	24,057	....	24,057	10,00,000	....	10,00,000
United States of America	....	....	....	6,48,881	....	6,48,881
Australia and New Zealand	....	....	....	20,51,732	....	20,51,732
Total	1,50,53,260	....	1,50,53,260	1,65,33,077	7,842	1,65,40,919

Value of the Exports of Gold and Silver Coin and Bullion from British India by Sea during the year ending 31st December 1932.

Countries.	Gold.			Silver.		
	Private.	Government.	Total.	Private.	Government.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom	56,66,21,840	....	56,66,21,840	88,12,706	3,02,11,478	3,90,24,184
Netherlands	4,25,22,701	....	4,25,22,701	52	....	52
France	13,87,048	....	13,87,048	....	....	....
Italy	2,00,000	....	2,00,000	....	....	....
Aden and Dependencies	989	....	989	....	32,281	32,281
Arabia	....	....	....	3,94,821	....	3,94,821
Bahrein Islands	2,997	....	2,997	10,16,000	....	10,16,000
Iraq	....	....	....	2,00,000	....	2,00,000
Ceylon	38,200	....	38,200	749	....	749
Persia	....	....	....	43,650	....	43,650
United States of America	14,79,78,406	....	14,79,78,406	....	....	....
Straits Settlements (including Labuan)	....	....	....	5,22,000	...	5,22,000
Australia and New Zealand ..	22	....	22	30	....	30
Siam	....	....	....	1,55,000	....	1,55,000
China	....	....	....	1,72,227	....	1,72,227
Japan	....	....	....	150	....	150
Total ..	75,87,52,203	....	75,87,52,203	1,13,17,385	3,02,43,759	4,15,61,144

Total Imports of Treasure on Private Account from Foreign Countries and Indian Ports into Bombay by Sea during the year 1932. (*From* 1*st January to* 31*st December* 1932.)

From	Gold.			Silver.			
	Bullion.	Sovereigns and Half Sovereigns.	Other Coin.	Bullion.	Dollars.	Government of India Rupees.	Other Coin.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom	....	....	....	31,55,075	....	6,887	1,140
Continent of Europe	....	....	....	....	....	....	34
United States of America ..	....	....	....	6,48,225	....	....	.. .
Australasia	....	....	....	1,95,530	....	....	....
Aden	3,72,322	13,30,913	33,932	....	....	4,830	....
China	....	....	....	....	....	69,500	....
Straits Settlements	....	....	....	....	....	24,000	....
Iraq	4,23,401	....	21,217	....	....	56,14,179	....
Arabian and Red Sea Ports ..	28,23,416	15,52,083	1,59,479	68,964	19,964	4,33,605	3,372
African Ports	4,78,399	14,94,788	1,437	....	....	6,950	....
Pasni	....	....	....	....	....	....	1,772
Bangkok	....	....	....	....	....	6,450	....
Ceylon	....	....	....	....	....	....	1,144
Indian Ports	38,446	145	....	35,46,444	26,320	17,508	2,07,243
Total ..	41,35,984	43,77,929	2,16,065	76,14,236	46,284	61,83,909	2,14,705

Total Exports of Treasure on Private Account to Foreign Countries and Indian Ports from Bombay by Sea during the year 1932. (*From* 1*st January to* 31*st December* 1932.)

To	Gold.			Silver.			
	Bullion.	Sovereigns and Half-Sovereigns.	Other Coin.	Bullion.	Dollars.	Government of India Rupees.	Other Coin.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom—							
London-Liverpool, etc. ..	48,32,29,464	2,01,27,546	1,69,935	23,91,703	137	....	....
London or Amsterdam ..	3,62,92,691	....	....	....	....	....	....
London or New York ..	1,00,05,584	2,46,988	....	....	....	....	....
Continent of Europe	1,39,08,262	15,67,789	8,070	....	52	....	....
United States of America ..	13,02,66,029	36,14,993	....	....	....	....	....
Aden	989	....	....	....	....	....	....
Straits Settlements	....	....	....	....	....	24,000	....
Iraq	....	....	....	....	....	2,00,000	....
Arabian and Red Sea Ports ..	....	8,359	2,997	....	19,964	8,33,300	....
Bangkok	....	....	....	....	....	1,55,000	....
Ceylon	....	....	....	....	....	....	531
Indian Ports	3,700	....	....	20,638	....	5,000	1,350
Total ..	67,37,06,719	2,55,65,675	1,81,002	24,12,341	20,153	12,17,300	1,881

Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to Europe (including Port Said for orders) during the years 1892 to 1923.

Years.	Cotton.	Wool and Goat Hair.	Linseed.	Rape Seed.	Gingelly Seed.	Wheat.	Myrabollams.
	Bales.	Bales.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
1892	954,243	53,275	3,805,823	1,758,459	1,227,560	9,374,762	620,133
1893	857,771	49,538	4,319,264	4,275,862	1,510,317	5,043,690	563,053
1894	797,070	54,678	5,389,941	3,306,108	1,126,418	1,561,048	1,076,482
1895	624,465	61,586	2,639,749	1,829,827	1,379,335	2,522,933	775,582
1896	772,258	58,520	3,214,613	1,495,463	1,186,842	1,429,572	839,314
1897	511,899	51,710	775,838	1,874,663	831,398	5,343	555,081
1898	490,544	51,653	2,729,122	2,287,393	1,847,419	5,781,881	635,732
1899	500,232	53,272	2,136,142	1,967,680	1,613,679	2,852,863	752,343
1900	232,425	40,611	811,128	1,050,052	1,613,135	608	878,740
1901	560,434	33,091	1,754,701	2,586,544	1,704,817	38,619	728,055
1902	577,929	39,793	2,017,704	2,742,283	1,881,426	211,397	1,079,241
1903	958,199	49,332	2,957,635	2,614,181	3,063,821	2,783,625	748,137
1904	926,295	58,319	3,808,789	2,182,881	2,266,118	5,302,304	958,886
1905	667,323	63,666	3,485,956	728,041	1,420,503	4,205,315	621,298
1906	989,693	59,101	1,889,089	829,438	1,578,931	485,747	779,584
1907	1,126,376	54,390	2,333,472	2,026,544	2,235,206	552,660	848,293
1908	659,822	47,344	1,046,806	802,923	1,018,619	12,740	1,304,388
1909	672,247	69,121	1,843,403	1,273,005	1,620,631	2,177,644	76,757
1910	1,153,233	68,059	2,546,238	2,137,828	2,864,185	1,673,016	917,208
1911	776,417	62,721	4,905,089	1,383,053	2,016,231	3,326,327	662,892
1912	436,208	64,072	3,579,356	1,069,916	1,012,554	3,805,556	652,080
1913	736,262	63,244	3,713,812	1,042,510	1,695,000	4,997,989	549,483
1914	1,113,016	54,555	2,622,097	678,060	1,280,036	109,323	755,687

Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to Europe (including Port Said for orders) during the years 1892 *to* 1923—continued.

Years.	Cotton.	Wool and Goat Hear.	Linseed.	Rape Seed.	Gingelly Seed.	Wheat.	Myrabollams.
	Bales.	Bales.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
1915	403,322	82,456	1,603,837	543,494	150,068	1,593,092	601,144
1916	293,876	77,109	5,410,560	451,732	1,130,405	545,656	422,965
1917	358,378	84,151	2,630,619	321,811	639,091	4,636,634	408,692
1918	190,529	109,850	2,474,109	73,181	3,552	1,487,714	300,061
1919	337,043	63,938	2,689,540	396,514	331,022	126,416	538,022
1920	649,736	42,920	1,511,233	729,716	678,059	....	346,812
1921	503,215	36,931	524,442	165,908	264,842	....	419,329
1922	628,674	75,326	2,307,369	464,045	610,412	1,000	525,031
1923	980,710	51,734	3,043,144	786,356	156,675	419,046	389,198

Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to all Foreign Countries during the years 1924 *to* 1932.

1924	2,520,053	75,992	2,990,141	881,200	468,157	547,085	888,994
1925	2,820,629	66,329	3,524,849	531,136	812,900	1,187,532	605,257
1926	2,257,802	46,347	1,585,096	77,894	72,752	138,592	719,078
1927	2,052,225	57,996	1,641,559	52,861	80,010	32,880	883,259
1928	2,563,221	71,769	1,828,077	189,435	471,740	68,162	641,162
1929	2,678,328	83,264	1,576,531	39,838	415,725	47,553	729,169
1930	2,755,604	41,532	2,110,422	13,354	19,708	32,857	732,974
1931	2,194,682	49,201	926,552	18,155	83,802	71,035	644,706
1932	924,302	33,474	491,481	39,023	248,126	26,236	592,374

STATEMENT showing the Exports from Bombay by Sea of Indian Manufactured Cotton Piece-Goods and Yarns since 1906.

Year ending 31st Dec.	Grey and White Piece-Goods.			Coloured Piece-Goods.		Total Piece-Goods.			Yarns.	
	Packages.	Yards.	lbs.	Packages.	Yards.	Packages.	Yards.	lbs. *	Bales.	lbs.
1906	107,675	186,018,348	48,719,629	24,545	42,635,922	132,220	228,654,270	57,163,567	703,006	278,821,792
1907	123,967	222,306,983	60,617,174	31,486	51,605,269	155,453	273,912,252	68,478,063	608,980	241,085,783
1908	120,300	215,698,687	60,862,003	30,997	50,792,342	151,297	266,491,029	66,622,757	598,621	234,484,640
1909	141,920	252,992,500	70,093,139	39,326	66,751,717	181,246	319,744,217	79,936,054	636,329	252,460,745
1910	136,972	250,489,940	68,312,314	45,333	75,673,845	182,305	326,163,785	81,540,946	565,999	223,758,970
1911	122,601	224,438,698	63,524,949	54,000	89,411,376	176,601	313,850,074	78,462,518	403,214	158,582,640
1912	126,681	231,976,527	66,009,051	64,169	107,280,928	190,850	339,266,455	84,816,614	579,281	228,759,617
1913	97,005	177,239,570	50,527,978	55,071	92,467,657	152,076	269,707,227	67,426,327	518,230	205,207,962
1914	91,837	169,515,937	49,361,518	42,084	72,602,270	133,921	242,118,207	60,529,552	437,159	173,172,953
1915	108,956	199,968,079	58,350,926	61,045	103,038,333	170,001	303,006,412	75,751,603	471,395	186,585,698
1916	175,923	248,326,445	70,956,464	82,818	139,616,532	258,741	387,942,977	96,985,744	410,972	162,627,300
1917	111,845	176,934,869	46,119,953	86,909	148,290,803	198,754	325,225,672	81,306,418	373,187	147,167,250
1918	94,071	153,463,774	40,025,958	71,424	126,033,308	165,495	279,527,082	69,881,770	193,275	75,599,059
1919	132,112	219,343,388	56,536,165	116,313	202,286,577	248,425	421,629,965	105,407,491	372,212	146,832,081
1920	149,552	241,230,910	61,482,863	157,042	120,332,112	306,594	361,563,022	90,390,755	288,778	113,351,962
1921	120,739	212,563,435	53,577,720	99,518	159,572,347	220,257	372,135,782	93,033,945	314,330	124,310,163
1922	138,769	254,292,354	65,928,239	100,581	176,411,422	239,350	430,703,776	107,675,944	267,711	105,122,885
1923	173,381	304,497,408	69,452,982	110,243	180,990,710	283,624	485,488,118	121,372,029	215,036	83,657,151
1924	177,950	320,087,971	75,657,413	103,999	169,055,231	281,949	489,143,202	122,285,800	175,175	67,861,329
1925	133,458	233,217,232	55,688,235	96,447	158,069,128	229,905	391,286,360	97,821,590	176,210	67,892,155
1926	119,331	210,752,239	50,243,116	112,795	180,075,412	232,126	390,827,651	97,706,912	175,869	67,786,883
1927	130,963	229,773,883	55,215,566	118,474	196,438,974	249,437	426,212,857	106,553,214	156,999	60,555,498
1928	100,699	177,282,508	34,777,044	97,936	157,677,505	198,635	334,960,013	83,740,003	102,954	40,816,700
1929	106,748	193,179,168	38,635,833	82,351	147,586,666	189,099	340,765,834	85,191,458	125,577	54,361,428
1930	136,281	241,220,836	48,964,399	75,555	122,465,715	211,836	363,686,551	90,921,637	126,006	50,490,540
1931	192,578	342,654,885	68,686,328	80,346	127,129,785	272,924	469,784,670	117,446,167	142,236	65,666,253
1932	294,483	794,303,908	106,795,020	72,177	108,236,606	366,660	902,540,514	225,635,128	122,156	46,294,310

* The weights have been arrived at by dividing the length in yards by 4.00, the average weight of the Grey and Bleached Cloths.

Exports of Indian Manufactured Cotton Yarns by Sea and Rail from Bombay (Converted into Bales of 400 lbs. each), since 1897.

1st January to 31st December.	To China.	To Japan.	Total to China and Japan.	Total to other Ports.	Total Exports by Sea.	Total Exports by Rail.*	Total Exports by Sea and Rail.
1897	361,221	645	361,866	91,095	452,961	5,822	458,783
1898	437,645	475	438,120	108,691	546,811	7,100	553,911
1899	579,619	250	579,869	94,029	673,898	4,408	678,306
1900	253,331	100	253,431	87,998	341,429	5,480	346,909
1901	536,195	....	536,195	99,599	635,794	6,670	642,464
1902	555,487	....	555,487	111,259	666,746	7,427	674,173
1903	604,044	....	604,044	113,256	717,300	8,348	725,648
1904	460,316	3	460,319	113,381	573,700	9,789	583,489
1905	651,870	....	651,870	91,603	743,473	8,099	751,572
1906	596,926	500	597,426	99,628	697,054	15,417	712,471
1907	412,127	200	412,327	190,387	602,714	19,218	621,932
1908	441,899	....	441,899	144,312	586,211	18,334	604,545
1909	510,746	....	510,746	120,406	631,152	19,302	650,454
1910	424,893	....	424,893	130,506	555,399	19,103	574,502
1911	275,087	....	275,087	121,369	396,456	18,927	415,383
1912	433,989	....	433,989	137,910	571,899	13,400	585,299
1913	405,359	....	405,359	107,661	513,020	15,011	528,031
1914	324,586	....	324,586	108,346	432,932	30,957	463,889

1915	.. ..	358,777	....	358,777	107,687	466,464	44,192	510,656
1916	.. ..	303,692	....	303,692	102,876	406,568	37,846	444,414
1917	.. ..	286,365	107	286,472	81,446	367,918	48,203	416,121
1918	.. ..	108,568	....	108,568	80,429	188,997	87,115	276,112
1919	.. ..	270,058	389	270,447	96,633	367,080	47,980	415,060
1920	.. ..	175,688	....	175,688	107,692	283,380	119,436	402,816
1921	.. ..	152,911	10	152,921	157,854	310,775	153,575	464,350
1922	.. ..	118,970	....	118,970	143,837	262,807	167,543	430,350
1923	.. ..	58,241	....	58,241	150,901	209,142	166,491	375,633
1924	.. ..	31,161	....	31,161	138,493	169,654	123,461	293,115
1925	.. ..	28,623	10	28,633	141,097	169,730	143,174	312,904
1926	.. ..	44,152	36	44,188	125,279	169,467	¶	....
1927	.. ..	2,753	67	2,820	148,568	151,388	¶	....
1928	.. ..	3,660	....	3,660	98,381	102,041	¶	....
1929	.. ..	3,169	....	3,169	132,734	135,903	¶	....
1930	.. ..	1,831	....	1,831	124,395	126,226	¶	....
1931	.. ..	213	....	213	142,023	142,236	¶	....
1932	.. ..	..	....	....	115,736	115,736	¶	....

* Compiled from Returns received from the Railway Companies. ¶ Figures not available.

Foreign Countries to which Cotton Grey Piece-Goods of Indian manufacture have been exported from Bombay by Sea since 1927-28.

(*Year ending* 31*st March.*)

To	In lakhs of yards (000's omitted).				
	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
United Kingdom	..	..	.03	..	.01
Aden and Dependencies ..	13.22	23.24	15.60	17.09	9.80
Iraq	3.36	.94	4.26	1.32	..
Bahrein Islands	2.30	1.32	.59	.38	.05
Ceylon	1.40	3.41	.51	.50	.62
Straits Settlements including Labuan	.61	1.75	.46	.13	.13
Cyprus	.34	.12	2.16	.33	.35
Natal	.98	1.94	.96	.03	.31
Zanzibar and Pemba	14.56	11.53	11.94	6.41	4.13
Kenya Colony (formerly known as East African Protectorate) .	20.67	16.79	22.82	9.59	10.44
Tanganyika Territory	18.67	28.16	21.48	17.48	20.77
Somaliland Protectorate ..	..	..	..	..	..
Anglo-Egyptian Sudan	11.51	13.59	10.56	4.99	2.35
Mauritius and Dependencies	6.73	2.42	1.77	.54	.55
Seychelles	1.79	.33	.58	.03	.27
Other British Possessions ..	.27	.62	1.64	.72	.53
Greece	.98	.54	..	..	..
Turkey, European	..	.70	..	..	..
Turkey Asiatic	4.12	.28	..	..	..
Syria	.81	1.59	.75	..	..
Muscat Territory and Trucial Oman	1.06	1.44	1.33	.75	.84
Other Native States in Arabia ..	1.78	2.31	3.43	1.32	1.85
Persia	2.89	.62	1.72	1.43	2.62
Siam	1.63	4.92	1.33	.43	.12
Egypt	13.10	5.89	6.80	4.74	4.05
Portuguese East Africa	45.18	22.21	23.67	22.06	19.00
Smyrna	.09	.40	.92	..	..
Italian East Africa (Somaliland and Eriterea)	2.78	1.77	2.44	1.59	.07
French Somaliland	3.26	7.45	5.70	3.76	4.25
Other Foreign countries ..	.22	.93	.24	.10	.07
Total Grey Piece-Goods ..	174.31	157.21	144.69	95.72	83.18
Value in lakhs of Rupees ..	50.26	47.12	41.41	25.70	22.22

Foreign Countries to which Indian Cotton Yarns have been exported from Bombay by Sea since 1927-28.

(*Year ending* 31*st March.*)

To	In lakhs of lbs. (000's omitted.)				
	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
United Kingdom	3.55	2.60	1.54	2.13	1.51
Malta and Gozo	.22	.21	.23	.05	.08
Cyprus	5.06	1.50	3.46	1.95	2.34
Aden and Dependencies	38.09	44.48	46.00	47.36	22.41
Bahrein Islands	2.36	2.49	1.70	.77	1.21
Palestine	.96	.80	1.55	1.92	3.07
Iraq	9.36	15.67	13.56	11.36	17.02
Ceylon	.21	.22	.30	.57	.18
Straits Settlements including Labuan	10.61	11.23	9.28	5.15	7.28
Hongkong	6.30	18.86	7.73	8.80	1.30
Tanganyika Territory	.03	.13	.19	.15	.16
Anglo-Egyptian Sudan	.03	.01	.50	.01	..
Zanzibar and Pemba	.38	.48	.87	.69	.44
Kenya Colony	.51	.73	.69	.68	.82
Natal	2.41	.48	.57	2.04	2.34
Australasia	.24	.18	.13	.19	.06
Other British Possessions	.05	.02	.01	.28	.02
Italy	1.12	.93	.09	.34	..
Greece	5.66	4.90	3.06	1.50	.28
Tripoli	.02	.26	.13	..	..
Serbcroat Slovene State	.16	.02	..	..	..
Bulgaria	7.06	4.79	3.83	1.90	5.56
Roumania	.05	.13	.13	..	..
Celebes and other Islands	..	.15	.58	..	..
Egypt	48.36	39.87	45.40	38.68	21.95
Syria	19.32	19.02	19.62	19.73	21.40
Smyrna	4.94	2.33	3.91	2.68	.10
Turkey, European	4.51	2.10	.94	1.58	.32
Turkey, Asiatic	13.40	4.17	3.75	1.03	.56
Muscat Territory & Trucial Oman	1.54	2.01	2.10	1.93	1.74
Other Native States in Arabia	.90	.80	1.18	2.01	2.07
Persia	33.06	31.68	41.83	44.64	65.30
Siam	16.23	18.49	16.97	15.77	10.54
Phillippine Islands and Guano	.84	.62	.21	.03	..
China exclds. Hongkong	.03	.09	.11	..	.06
Japan	..	..	..	..	..
Portuguese East Africa	.01	.37	1.17	1.71	.94
Italian East Africa	.58	.32	.64	.35	.59
French Somaliland	1.61	4.90	6.86	8.94	19.76
Other Foreign Countries	1.75	1.22	2.01	.45	.52
Total Yarns	241.52	239.26	242.83	227.66	212.60
Value in lakhs of Rupees	184.33	192.86	187.98	154.22	124.24

SHIPPING—

Number and Tonnage of Vessels, distinguishing Sailing and from and to Foreign Countries at Ports in British

EN

YEAR.	With Cargoes.						In	
	Sailing.		Steam		Total.		Sailing.	
	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.
1921-1922 ..	853	88,901	2,522	6,877,448	3,375	6,966,349	267	34,553
1922-1923 ..	659	71,602	2,329	6,450,186	2,988	6,521,788	275	34,759
1923-1924 ..	686	68,682	2,341	6,667,894	3,027	6,736,576	315	34,724
1924-1925 ..	635	64,215	2,395	6,024,434	3,030	6,088,649	365	33,645
1925-1926 ..	640	61,953	2,411	7,041,419	3,051	7,103,372	357	32,931
1926-1927 ..	518	51,249	2,365	6,930,836	2,883	6,982,085	307	30,415
1927-1928 ..	564	51,794	2,571	7,598,539	3,135	7,650,333	405	38,459
1928-1929 ..	491	43,303	2,718	8,187,016	3,209	8,230,319	420	30,941
1929-1930 ..	538	47,775	2,721	8,327,048	3,259	8,374,823	293	28,862
1930-1931 ..	492	41,665	2,538	7,858,281	3,030	7,899,946	338	33,838
1931-1932 ..	†	†	†	†	2,850	7,380,655	†	†

CLEAR

1921-1922 ..	1,072	118,979	2,457	6,433,979	3,539	6,552,958	83	7,945
1922-1923 ..	978	111,357	2,620	7,332,572	3,598	7,443,929	61	9,306
1923-1924 ..	1,016	108,042	2,745	7,897,122	3,761	8,006,064	20	2,093
1924-1925 ..	885	92,947	2,918	8,497,229	3,803	8,590,176	148	7,552
1925-1926 ..	858	87,319	2,727	8,093,319	3,585	8,180,638	65	5,223
1926-1927 ..	871	89,181	2,630	7,800,807	3,501	7,889,988	32	2,901
1927-1928 ..	992	96,946	2,667	7,828,456	3,659	7,925,402	24	2,590
1928-1929 ..	963	91,108	2,804	8,367,598	3,767	8,458,706	30	3,510
1929-1930 ..	873	82,070	2,888	8,776,368	3,761	8,858,438	23	1,462
1930-1931 ..	920	86,604	2,523	7,823,154	3,443	7,909,758	53	3,686
1931-1932 ..	†	†	†	†	3,181	7,557,276	†	†

† Detail not

FOREIGN TRADE.

Steam, which Entered and Cleared with Cargoes and in Ballast, India in each Official Year from 1921-1922 *to* 1931-32.

TERED.

Ballast.				Total.				Grand Total.	
Steam.		Total.		Sailing.		Steam.			
Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Sailing and Steam Vessels.	Net Tons.
306	640,908	573	675,461	1,120	123,454	2,828	7,518,356	3,948	7,641,810
271	741,792	546	776,551	934	106,361	2,600	7,191,978	3,534	7,298,339
413	1,265,031	728	1,299,755	1,001	103,406	2,754	7,932,925	3,755	8,036,331
537	1,591,293	902	1,624,938	1,000	97,860	2,932	8,515,727	3,932	8,613,587
375	1,165,692	732	1,198,623	907	94,884	2,786	8,207,111	3,783	8,301,995
402	1,323,166	799	1,362,581	915	90,664	2,767	8,254,002	3,682	8,344,666
378	1,188,018	783	1,226,507	969	90,253	2,949	8,786,587	3,918	8,876,840
417	1,247,053	837	1,286,994	911	83,244	3,135	9,434,069	4,046	9,517,313
420	1,244,004	713	1,272,866	831	76,637	3,141	9,571,052	3,972	9,647,689
338	1,071,846	676	1,105,684	830	75,503	2,876	8,930,127	3,706	9,005,630
†	†	604	986,345	†	†	†	†	3,454	8,367,000

ED.

477	1,452,254	560	1,460,199	1,155	126,924	2,934	7,886,233	4,089	8,013,157
236	742,897	297	752,203	1,039	120,663	2,856	8,075,469	3,895	8,196,132
161	569,327	190	571,420	1,045	111,035	2,906	8,466,449	3,951	8,577,484
139	444,757	287	452,309	1,033	100,409	3,057	8,941,986	4,090	9,042,485
190	647,728	255	652,951	923	92,542	2,917	8,741,047	3,840	8,833,589
223	800,736	255	803,637	903	92,082	2,853	8,601,543	3,756	8,693,625
233	773,760	257	776,350	1,016	99,536	2,900	8,602,216	3,916	8,701,752
277	892,628	307	896,138	993	94,618	3,081	9,260,226	4,074	9,354,844
248	876,507	271	877,969	896	83,532	3,136	9,652,875	4,032	9,736,407
255	871,331	308	875,017	973	90,290	2,778	8,694,485	3,751	8,784,775
†	†	220	627,724	†	†	†	†	3,401	8,185,000

available

SHIPPING—

Number and Tonnage of Vessels, distinguishing Sailing and Steam, Foreign Countries at the Chief Port of the Bombay

EN

YEAR.	WITH CARGOES.						IN	
	Sailing.		Steam.		Total.		Sailing.	
	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.
1921-1922 ..	197	25,854	745	2,404,470	942	2,430,324	3	649
1922-1923 ..	140	18,649	598	2,148,809	738	2,167,458	1	217
1923-1924 ..	147	18,271	576	2,195,809	723	2,214,080	3	811
1924-1925 ..	150	19,098	584	2,224,340	734	2,243,438	4	937
1925-1926 ..	143	17,724	616	2,330,516	759	2,348,240	1	88
1926-1927 ..	110	14,547	548	2,115,885	658	2,130,432	3	631
1927-1928 ..	140	15,411	640	2,465,823	780	2,481,234	..	..
1928-1929 ..	123	13,381	615	2,500,473	738	2,513,854	..	..
1929-1930 ..	120	12,527	645	2,728,985	765	2,741,512	..	..
1930-1931 ..	105	10,134	601	2,578,353	706	2,588,487	..	..
1931-1932 ..	96	10,303	539	2,530,376	635	2,540,679	..	..
								CLEAR
1921-1922 ..	137	17,550	479	1,571,560	616	1,589,110	5	663
1922-1923 ..	143	17,080	485	1,746,456	628	1,763,536	..	..
1923-1924 ..	127	14,416	416	1,653,432	543	1,667,848	2	433
1924-1925 ..	79	8,848	402	1,563,419	481	1,572,267	4	843
1925-1926 ..	115	13,244	419	1,662,530	534	1,675,774	4	564
1926-1927 ..	87	9,785	347	1,438,438	434	1,448,216	7	1,162
1927-1928 ..	101	11,383	422	1,688,802	523	1,700,185	..	..
1928-1929 ..	80	8,027	449	1,956,501	529	1,964,528	1	250
1929-1930 ..	84	8,185	474	2,086,533	558	2,094,718	1	56
1930-1931 ..	77	7,561	433	1,983,856	510	1,991,417	3	323
1931-1932 ..	69	6,552	429	2,183,882	498	2,190,434	1	56

FOREIGN TRADE.

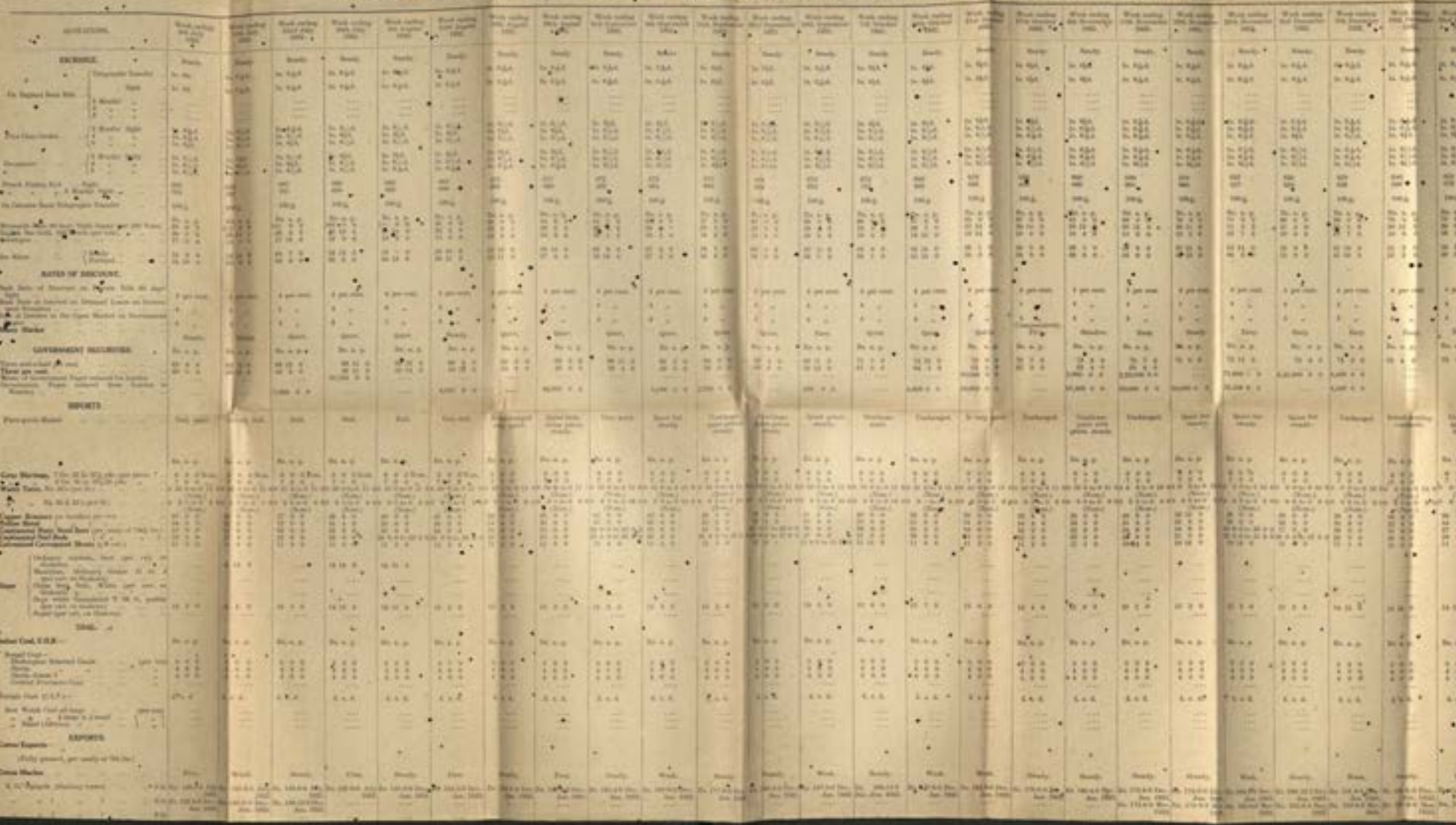
which Entered and Cleared with Cargoes and in Ballast, from and to Presidency in each Official Year from 1921-1922 *to* 1931-1932.

TERED.

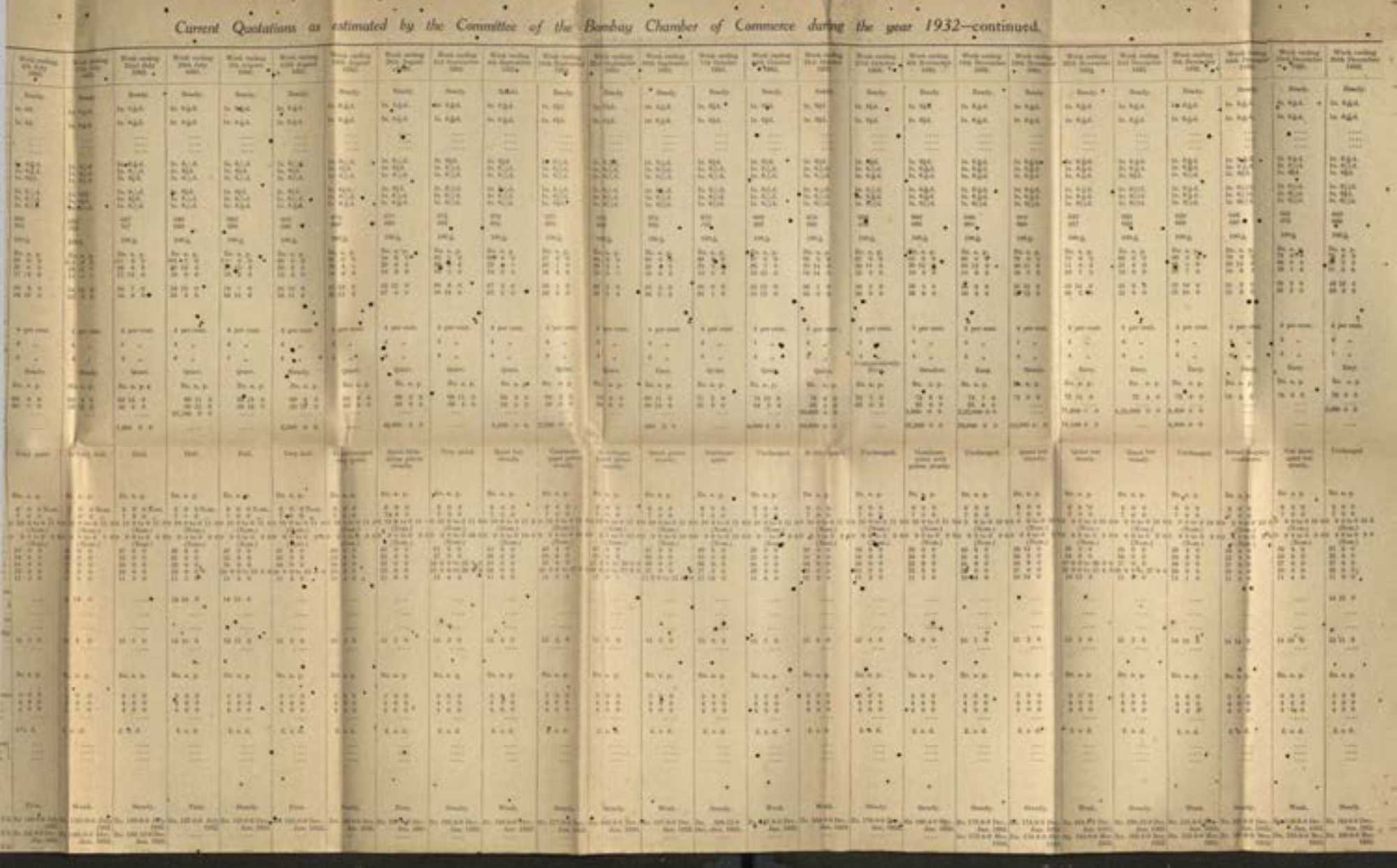
Ballast.				Total.				Grand Total.	
Steam.		Total.		Sailing.		Steam.			
Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Sailing and Steam Vessels.	Net Tons.
39	88,046	42	88,695	200	26,503	784	2,492,516	994	2,519,01
45	135,260	46	35,477	141	18,866	643	2,284,069	784	2,302,93
67	251,568	70	252,379	150	19,082	643	2,447,377	793	2,466,459
49	146,965	53	147,902	154	20,035	633	2,371,395	787	2,391,340
36	103,893	37	103,981	144	17,812	652	2,434,409	796	2,452,221
33	124,024	36	124,655	113	15,178	581	2,239,909	694	2,255,087
38	117,289	38	117,289	140	15,411	678	2,583,112	818	2,598,523
45	171,240	45	171,240	123	13,381	660	2,671,713	783	2,685,024
30	97,629	30	97,629	120	12,587	675	2,826,614	795	2,839,141
29	135,797	29	135,797	105	10,134	630	2,714,150	735	2,724,848
23	106,963	23	106,963	96	10,303	562	2,637,339	658	2,647,642
ED.									
246	732,015	251	732,678	142	18,213	725	2,303,575	867	2,321,788
111	355,716	113	255,716	143	17,080	596	2,102,172	739	2,119,252
83	307,975	85	308,408	129	14,849	499	1,961,407	628	1,976,256
49	166,899	53	167,742	83	9,691	451	1,730,316	534	1,740,009
70	272,770	74	273,334	119	13,808	489	1,935,300	608	1,949,108
84	333,836	91	334,998	94	10,947	431	1,772,267	525	1,783,214
61	240,467	61	240,462	101	11,383	483	1,929,269	584	1,940,652
70	253,734	71	253,984	81	8,277	519	2,210,235	600	2,218,512
72	277,934	73	277,990	85	8,241	546	2,364,467	631	2,372,808
65	244,762	68	248,085	80	7,884	498	2,231,618	578	2,239,502
54	215,836	55	215,892	70	6,608	483	2,399,718	553	2,406,326

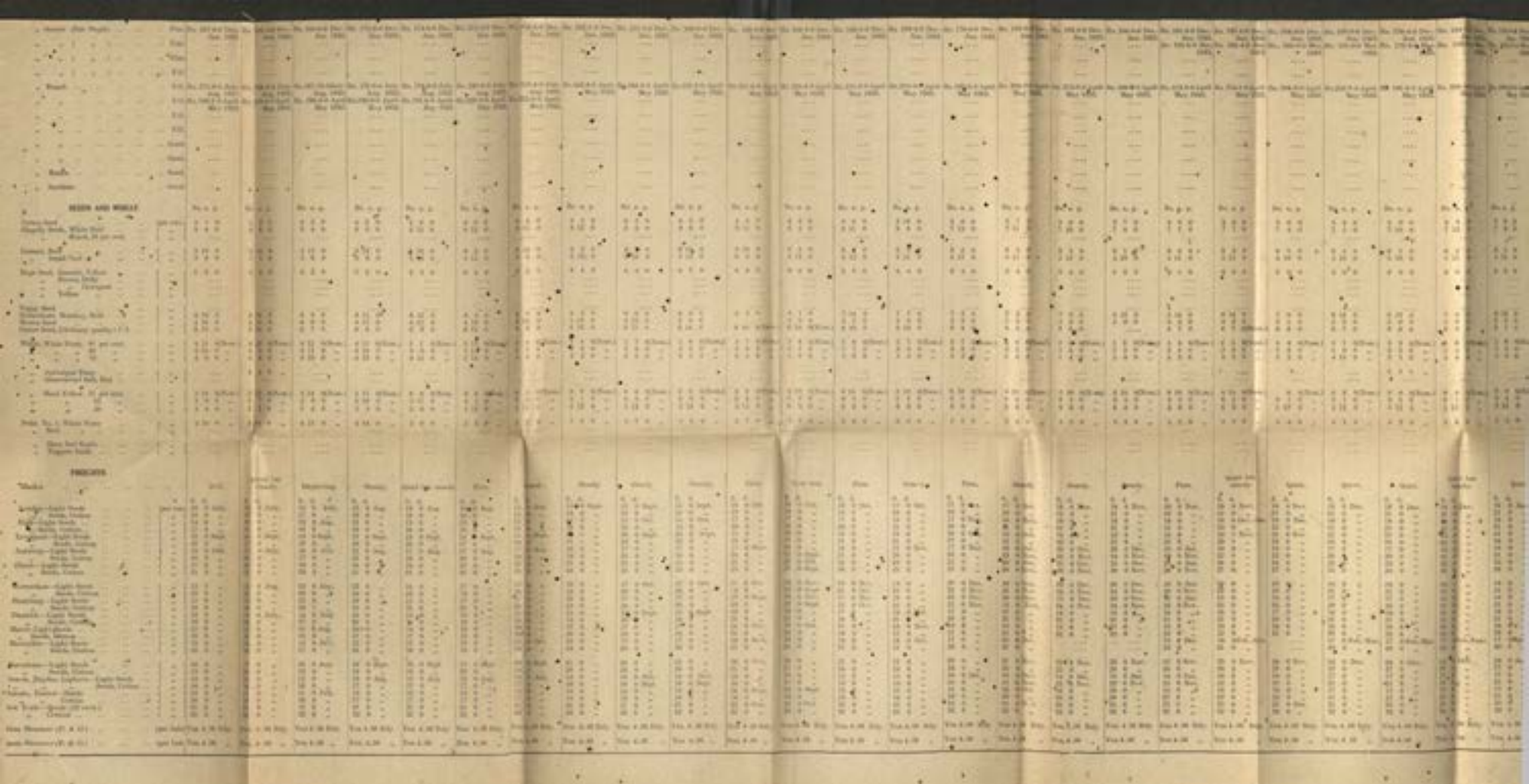
The Times of India Press, Bombay—J. 56·33.

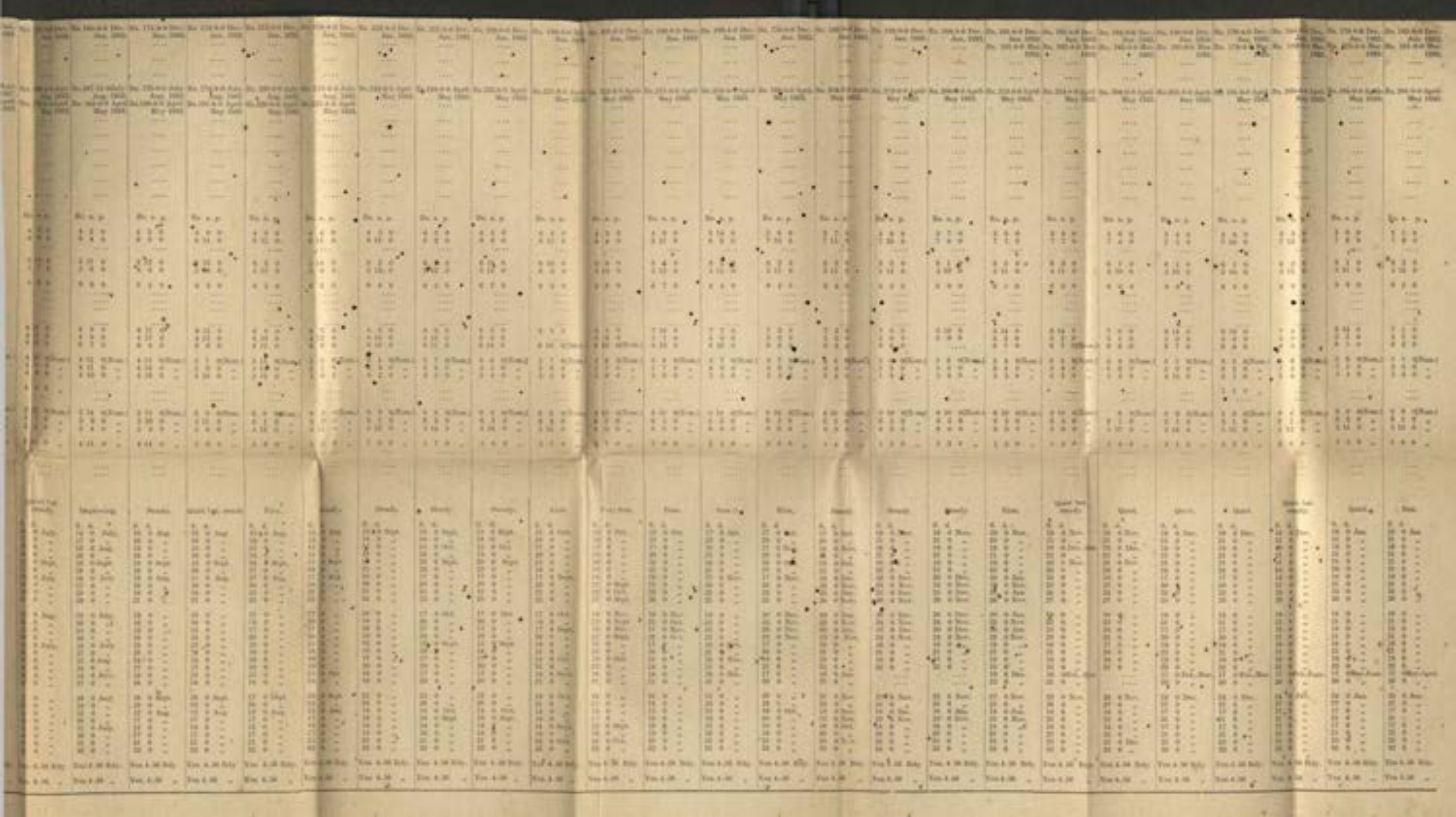
Current Quotations as estimated by the Committee of the Bombay Chamber of Commerce during the year 1932—continued.



Current Quotations as estimated by the Committee of the Bombay Chamber of Commerce during the year 1932—continued.







Current Quotations as estimated by the Committee of the Bombay Chamber of Commerce during the year 1932.

QUOTATIONS	Week ending 6th January 1932.	Week ending 13th January 1932.	Week ending 20th January 1932.	Week ending 27th January 1932.	Week ending 3rd February 1932.	Week ending 10th February 1932.	Week ending 17th February 1932.	Week ending 24th February 1932.	Week ending 2nd March 1932.	Week ending 9th March 1932.	Week ending 16th March 1932.	Week ending 23rd March 1932.	Week ending 30th March 1932.	Week ending 6th April 1932.	Week ending 13th April 1932.	Week ending 20th April 1932.	Week ending 27th April 1932.	Week ending 4th May 1932.	Week ending 11th May 1932.	Week ending 18th May 1932.	Week ending 25th May 1932.	Week ending 1st June 1932.
EXCHANGE.																						
Telegraphic Transfer																						
On England (Bank Bills) — Sight																						
On England (Bank Bills) — 4 months'																						
On England (Bank Bills) — 6 months'																						
On France — Sight																						
On France — 4 months'																						
On Germany — Sight																						
On Germany — 4 months'																						
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On Shanghai (Bank Bills) — Sight																						
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On Delagoa Bay (Bank Bills) — Sight																						
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On Lourenco Marques (Bank Bills) — Sight																						
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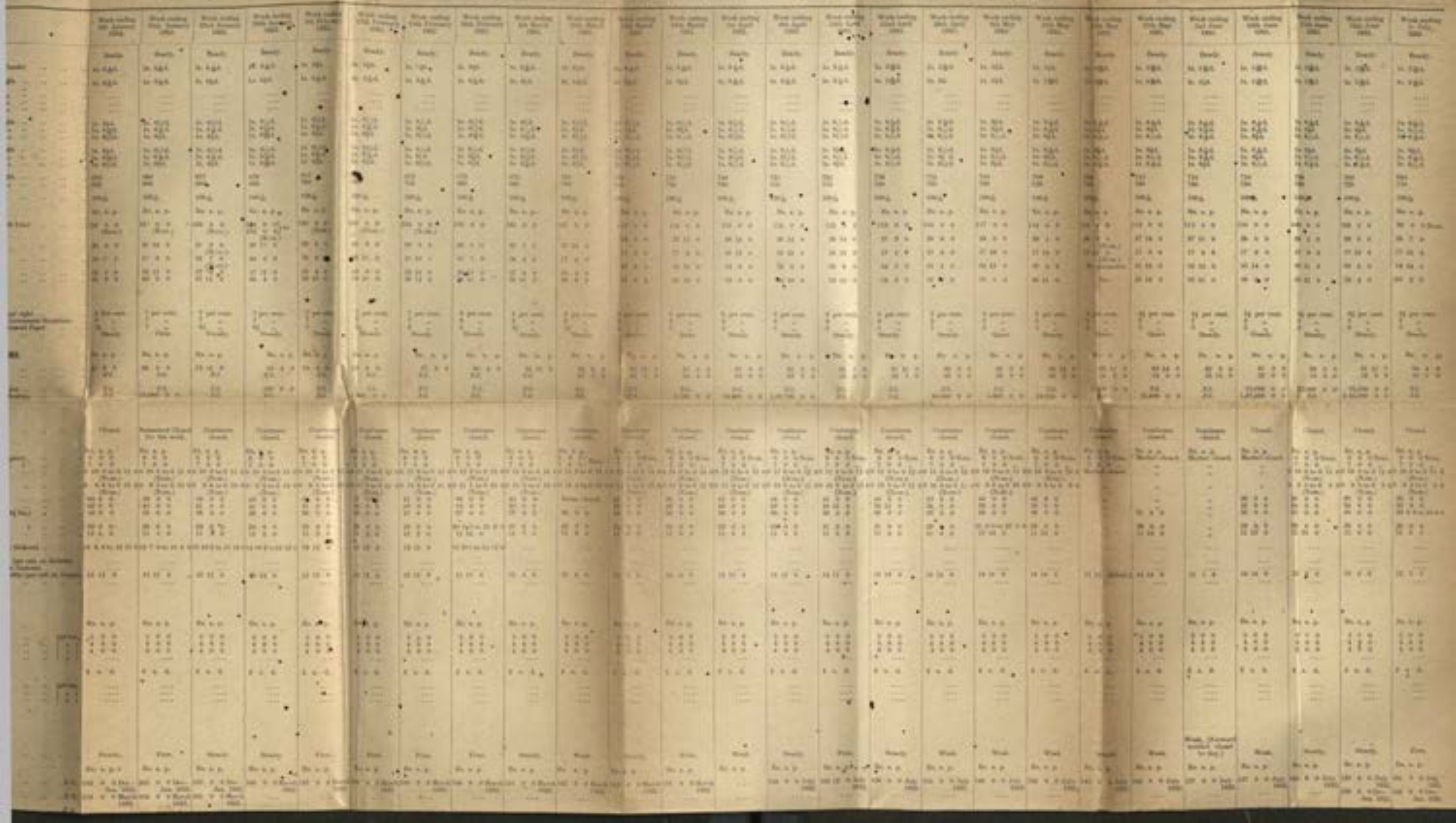
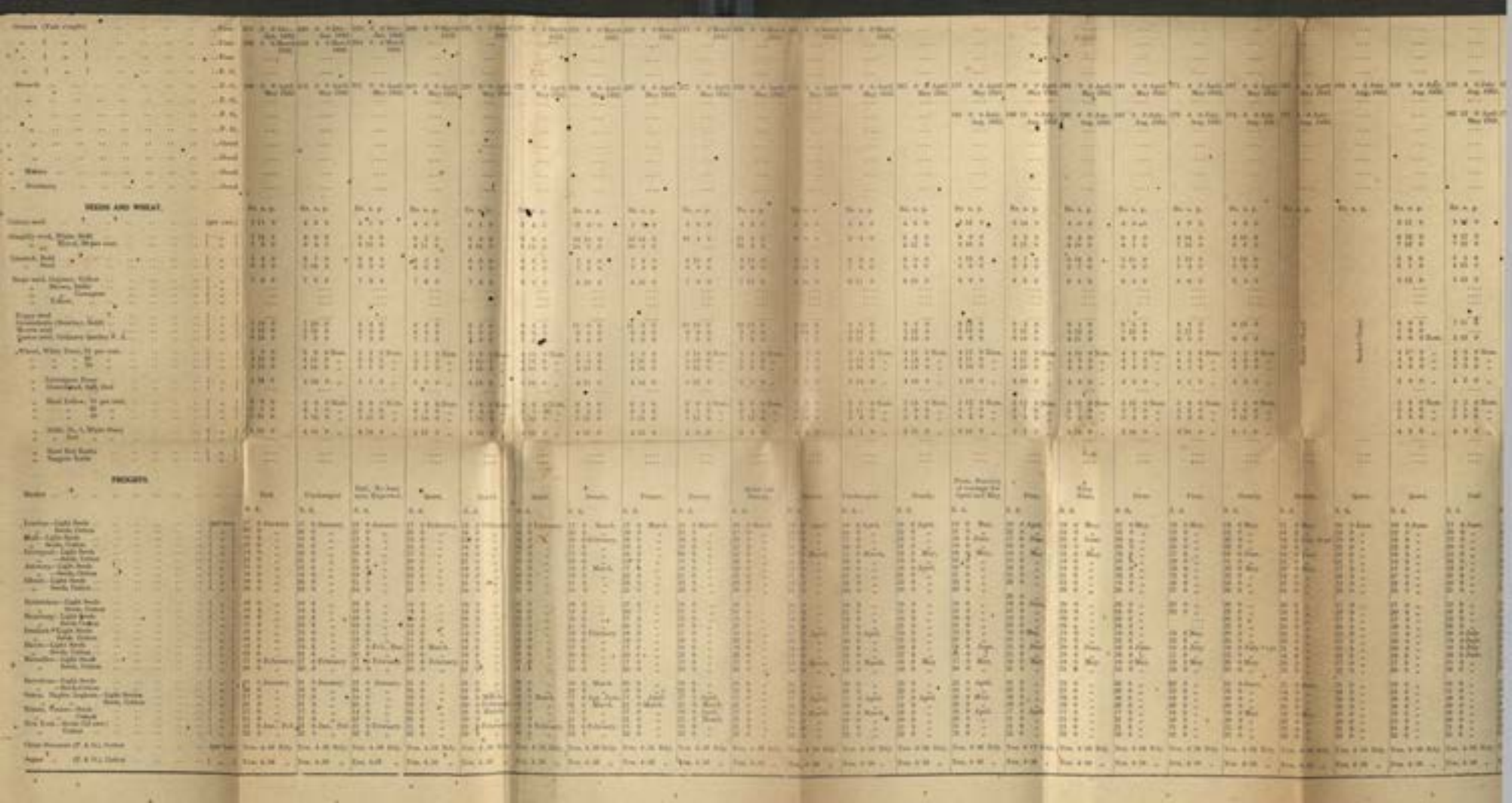
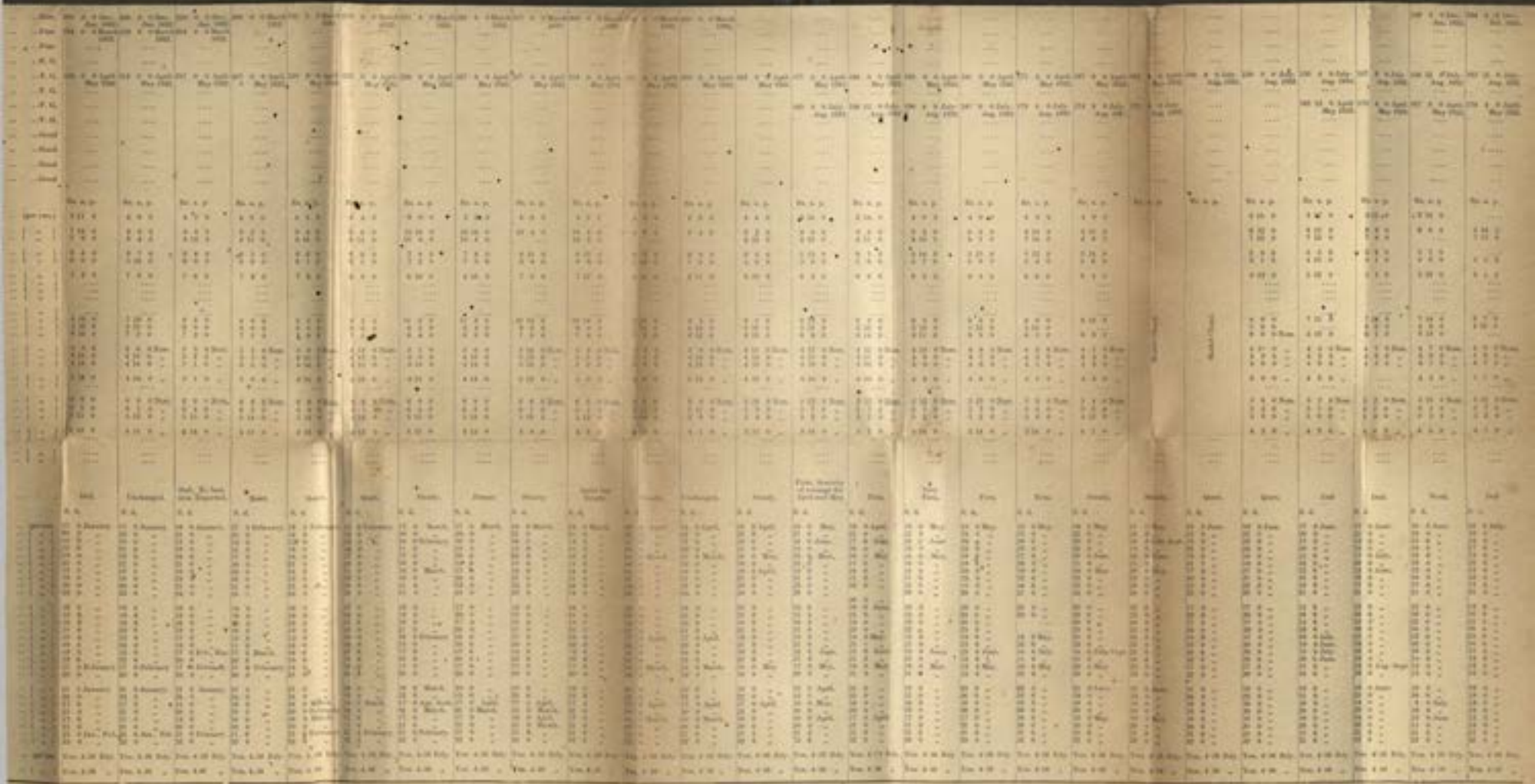
On Beira (Bank Bills) — Sight																						
On Beira (Bank Bills) — 4 months'																						
On Mombasa (Bank Bills) — Sight																						
On Mombasa

Current Quotations as intimated by the Committee of the Bombay Chamber of Commerce during the year 1932.







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